THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of Chi
Intercourse with Other Nations

The "Nationalization" of Peking and Tientsin

What the Present Chinese Crisis Means to America

By Brig. Gen. Henry J. Reilly

What We Should Know About China

By Robert Barnett

The Reform of the Salt Administration

By Y. F. Tseng

The Revolution in Missions

By Stanley High

The Case of Dr. Seymour

By Arthur H. Brown

許密勒評論報

SATURDAY, JUNE 30, 1928

FORTY CENTS A COPY

Vol. XLV No. 5.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報

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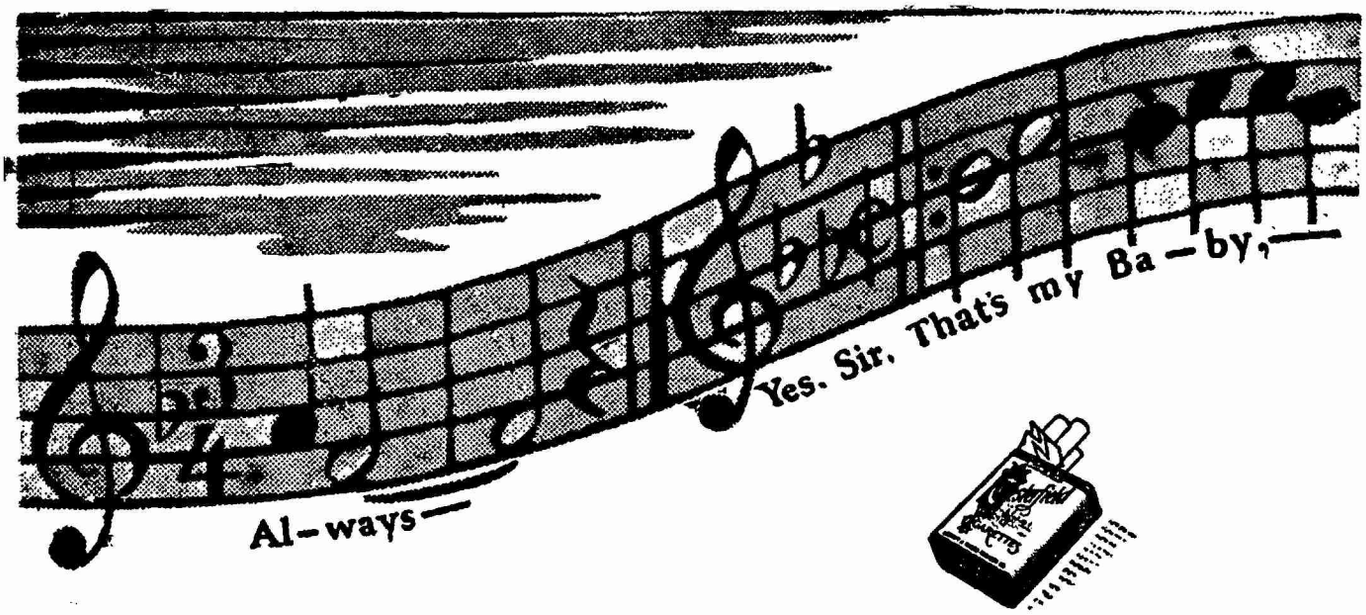

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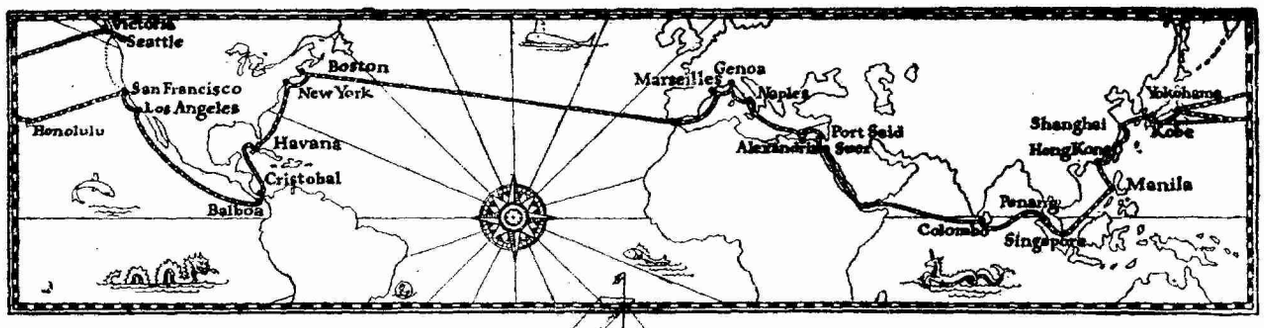

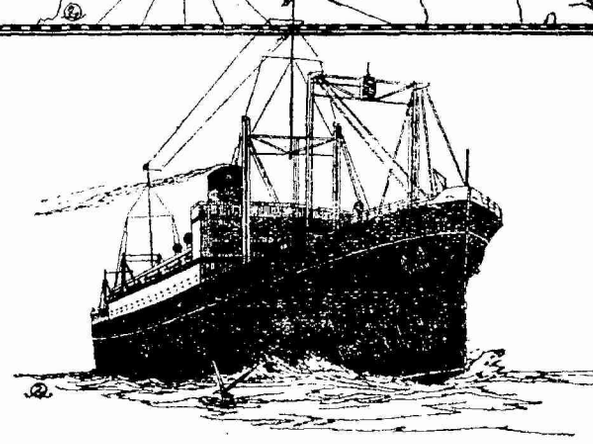

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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Registered at the Chinese Post Office as a Newspape for transmission with special marks privileges in Chin

VOLUME XLIV SHANGHAI, CHINA, SATURDAY, JUNE 30, 1928 NUMBER 5

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

AMERICAN OFFICE
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THE "NATIONALIZATION" OF PEKING AND TIENTSIN

ACCORDING to a report issued on Monday, June 25, the Nationalist Government Council has finally appointed the personnel of the Peking Branch Political Council, which is expected to take charge of the political administration of the Peking-Tientsin area. The names of the members of the Peking Branch Council which appeared in the Chinese newspapers in Shanghai were as follows:

Li Shih-cheng (Chairman)	Yen Hsi-shan	Feng Yu-hsiang
Lu Chung-lin	Bei Tsung-chi	Chiang Tso-ping
Ma Fu-hsiang	Chen Tiao-yuan	Chang Chi
Liu Shou-chung	Wang Fu-ching	Chao Tai-wen
Li Chung-ting		

Then in addition to this action, the Nationalist Government Council is reported to have appointed Gen. Ho Chi-kung as Mayor of Peking and Mr. Lan Kwei-hsin as Mayor of Tientsin. The former is an adviser to Marshal Feng Yu-hsiang while the latter is a representative of Gen. Yen Hsi-shan. According to the new arrangement, Peking and Tientsin are to be created special municipalities under the direct jurisdiction of the Nationalist Government and separate from the Chihli provincial administration. The Nationalist Government recently promulgated regulations for the government of these special municipalities which now includes Shanghai, Nanking, Canton, Hankow, Peking and Tientsin. As soon as the Nationalists can get the Japanese out of Tsingtao they will do the same thing with that port.

The Government Council at Nanking has also, according to the Chinese news reports, appointed the personnel of the new government for Chihli Province, the members being as follows,

Shang Chen (Chairman)	Han Fu-hsu	Hsu Yung-chang
Yen Chi-yi	Wong Shou-chuan	Sun Huan-luan
Li Hung-wen	Chu Shao-kwang	Sheng Ying-mu
Tuan Chung-lin	Ting Chuan-kao	

These various appointees to both the Peking Branch Council and the Chihli provincial government committee, are about equally divided among military men and civilians. The Chairman of the Chihli provincial committee, Gen. Shang Chen, is commander of the 1st Route Shansi army, while Gen. Han Fu-hsu, a member of the Committee, is a member of the Kuominchun, or Feng Yu-hsiang organization. The Chairman of the Peking Branch Political Council, Mr. Li Shih-cheng is a member of the Central Supervisory Committee of the Nationalist Government and is the newly appointed President of Chung Hwa University, formerly Peking National University. On both the Peking Branch Council and the Chihli provincial committee are also some Northern members of the Kuomintang. The military men on both committees are about equally divided

between the adherents of Feng Yu-hsiang and Yen Hsi-shan. However, Gen. Bei Tsung chi, the field commander of the newly organized 4th Nationalist army composed of Hunan and Hupeh troops, is also a member of the Peking Branch Council. Gen. Bei is now said to have approximately 50,000 troops in the Peking-Tientsin district. However, chief military control in the area still rests with Gen. Yen Hsi-shan, the Shansi commander, who has been appointed Garrison Commander at Peking and Tientsin.

A consideration of the foregoing action of the Nationalist Government indicates quite plainly what is in the minds of the Nationalist politicians. They have attempted to divide the honors in Chihli province equally between the two potential military rivals, Feng Yu-hsiang and Yen Hsi-shan, by dividing the positions between them and then in addition have introduced a new element in the person of Gen. Bei Tsung-chi, a Kwangsi military leader who has been associated with the Nationalist revolution since the beginning at Canton in the spring of 1926 and even earlier through the cadets at the Whampoa Military Academy. Gen. Bei, as a lieutenant of Gen. Chiang Kai-shek, was the first Nationalist military man to enter Shanghai in the spring of 1927 when the Northerner, Sun Chuan-fang, was dislodged from control of the Lower Yangtsze area.

Then, in order to neutralize the influence of the military men as much as possible, the Nanking Council has appointed a number of civilian members on both committees. It is particularly significant that the Chairman of the Peking Branch Council is a civilian, a university president.

The shuffling and re-shuffling of officials in the Peking-Tientsin area since the occupation of the territory by the Nationalist armies early this month, has probably been most disconcerting to the Peking Diplomatic Corps which has been accustomed for so long a time to dealing with Chinese affairs through a military dictator. After many months of Marshal Chang Tso-ling, who was just as much opposed to a liberal democracy as he was opposed to Communism, and who ruled North China with an iron hand, it is difficult for foreigners in North China to realize that they now must deal with a Government which is trying to carry out some of the principles of republicanism. When Gen. Yen Hsi-shan first occupied Peking, it is reported that he immediately went ahead and appointed his own officials to function in the northern Chihli territory, but Mr. Chiang Tso-ping, Chairman of the Nationalist Political Committee in the War Zone, shortly appeared on the scene with his Committee and under instructions of the Nationalist Government set about organizing a regular government in the area. Then in addition to the Political Committee in the War Zone, the Nationalist Government has also sent into the area a Nationalist Propaganda Committee which is attempting to carry on an educative compaign among the people in North China similar to what has been done in South China and the Yangtsze Valley for the past two years. In other words, North China is now to receive an intensive "short-course" education in the Three Principles, National Unification, Abolition of Unequal Treaties, and Sun Yat-sen-ism in liberal doses.

This naturally creates confusion in a territrory which previously has been governed by a military dictator who ruled without law or constitutional restraint of any kind. Peking and Tientsin are now getting a taste of present-day China's conception of republican government. South China and the Yangtsze Valley have been passing through this stage for the past two years, hence what is now happening in North China provokes no surprise south of the Yellow River Of course there are personal rivalries, mistakes and confusion, but this is always what happens when dictators are displaced and republican government comes in. Democracy never works as smoothly as autocracy, but in the long run it is a more satisfactory form of government because it divides the authority and gives the people some voice in the administration which governs them. One of the reasons why the Nationalist Government has tried to break away from Peking has been due to the fact that foreign officialdom in Peking has always catered to the "strong-man" theory of government in China. The Peking Diplomatic Corps has always encouraged the "dictator" idea in Chinese politics from the days of Yuan Shih-kai, and his downfall can be traced to the influence of certain foreign elements in Peking which encouraged him to start a new dynasty. Peking Diplomats have always looked upon the Chinese people as an unlettered, unwashed mob incapable of self-government. And while it is true that years of general education will be required before China has any conception of republican government as understood in America or parts of Europe, yet China's present-day political leaders have the idea. They find their inspiration in the political teachings of the late Dr. Sun Yat-sen, but he had no monopoly of these ideas which have inspired thousands of Chinese students, men and women, who have been abroad for an education.

Elsewhere in this issue of *The Review* appears a significant article by Brig. Gen. Henry J. Reilly, who points out that the present fight in China is between Liberalism, Bolshevism and Monarchism. We heartily recommend a careful perusal of Gen. Reilly's article, for an understanding of the situation which he outlines will enable both foreign and Chinese newspaper readers to more clearly comprehend what is now taking place in North China. And from the meager reports now coming out of the Three Eastern Provinces, it appears that a similar situation is beginning to develop in that area.

CHINESE BANKERS AND THE COUNTRY'S FUTURE

ABOUT 100 of the leading Chinese bankers, businessmen and industrialists from various parts of the country are now meeting in Shanghai for the purpose of considering the financial and economic reconstruction of the country. The meeting opened on June 20 in the Government Central Bank building on the Shanghai Bund. In an address delivered at the opening session, Mr. T. V. Soong, Nationalist Minister of Finance, stated that up to the present the chief aim of the Nationalist Government had been to win a military victory and that the financial policy had been directed toward the single aim of securing sufficient funds for the payment of troops. Continuing, he declared, "With the capture of Peking the Government can now divest itself of war psychology and devote itself to reconstruction." Mr. Soong then got down to business and suggested five important problems, Currency Reform, National Indebtedness, Taxation, Commerce Revival, and National Expenditure. In concluding his address he stated that the Government desired to find out the wishes of the community and would be willing to abide by the recommendations.

Since the opening of the Conference on June 20 various committees have been meeting daily in the offices of the Central Bank trying to work out a solution for the various problems. The military and

political leaders of the country have almost unanimously expressed themselves in agreement with the purpose of the Conference. Gen. Yen Hsi-shan, garrison commander at Peking and Tientsin, on June 21 sent a memorandum to the Central Political Council recommending disbandment of surplus troops, unification of finance, and centralization of communications. Gen. Feng Yu-hsiang, commander of the Nationalist troops in Honan, Shensi, Kansu and southern Chihli has asked the Central Government to send commissioners to his territory to take charge of the revenues on behalf of the Nationalist Government. Other leaders have taken similar action.

The outlook is encouraging and there is hope that the Chinese bankers, businessmen and industrialists will be able to rise to the occasion. The Government has apparently given them a free hand and has promised full cooperation. The seriousness of the situation facing the country is obvious. In the Hankow district there are said to be more than $30,000,000 worth of depreciated bank notes in circulation. The amount in the Canton district is probably greater. The situation is even worse in the Three Eastern Provinces where Marshal Chang Tso-ling formerly held sway. Thanks largely to the financial policy of the present Minister of Finance, conditions in the Shanghai district have remained stable despite the strain necessitated by the financing of the final stages of the war. The stability of the Shanghai area therefore provides solid ground for development throughout the country, provided the men now taking part in the Economic Conference have sufficient foresight and patriotism to go ahead and do something constructive. To refer to the five problems outlined at the opening conference, China's currency system is archaic. Almost every province has its own mint and printing press. Subsidiary currency has been "squeezed" of its silver content until it requires about a dozen dimes to make a dollar and the number of copper cents required for a dollar fluctuates daily. Then there is the flood of paper money for which there is insufficient reserve in the bank vaults. The situation is serious but no worse than that which faced European nations following the close of the World War.

Then there is the question of national indebtedness. As Mr. Soong stated in his opening address, China's national loans, domestic and foreign, although relatively small in proportion to national resources, have nevertheless been badly managed. The problem facing the country is to improve national credit so that China can go into the world's money markets for loans for rehabilitation purposes. To say that China's system of taxation is unscientific and uneconomic is to express the case mildly. The so-called unequal treaties which have given foreigners exemption from Chinese taxation and the foreign concessions which have prevented the Chinese from taxing their own nationals residing therein, have proved a complicating element in addition to the lack of a sound system of taxation on the part of the Chinese Government itself. The next problem, revival of commerce, is inextricably mixed up with the taxation problem, the communications problem and the military and political situation. From the standpoint of national expenditures, China has never had anything resembling a budget, the various governments which have preceded the Nationalists living on a hand to mouth basis largely through loans at exorbitant rates of interest from the Chinese and foreign banks. Finally there is the question of the railroads which have suffered through misuse by the military, with a further complication due to the fact that the Fengtien Party in retreating from the Peking-Tientsin area carried off with them more than half of the locomotives and rolling stock of the four Government lines radiating from that area.

The old saying that in the long run people get the kind of government they deserve, has a special application to the case of China and the Chinese bankers, businessmen and industrialists cannot escape their share of the responsibility. The type of militarism which has prevailed in China for the past dozen and more years could not have existed had the businessmen and bankers of the country possessed national vision. Every military faction in the country has had its financial backers who hoped to gain through the success of their favorites. The unfortunate part of it has been that while the bankers and businessmen themselves have suffered, the chief burden has fallen on the innocent Chinese people who have been impoverished and in many sections of the country have been oppressed to a point where Communism seemed the only way out. An article elsewhere in this issue of *The Review* by Brig. Gen. Henry J. Reilly states that Liberalism, Bolshevism and Monarchism are struggling for power in China. The Chinese businessmen, bankers and industrialists should be able to realize wherein their fortunes rest in the face of these three "isms" which are now struggling for mastery in the Chinese Republic. No one expects the present conference to evolve a New China all at once, but if they unitedly will take the first step, the Nationalist Government will be encouraged to take the second. And if this is done, China need not worry about the assistance of her friends abroad. Their help will be forthcoming at once!

TEACHING CHINA TO BECOME A MILITARY NATION!

JAPANESE intervention in Shantung and Manchuria, plus the Tsinan incident and the Japanese ultimatum to Marshal Chang Tso-ling, have done more to stimulate China in the direction of a military career than anything that has happened in China since the first revolution in 1911. The National Educational Conference which met in Nanking a few days following the Tsinan incident, voted unanimously to institute compulsory military training in all of the Government schools above the grade of middle-school and to encourage Boy Scout activities in the schools below the grade of middle-school. Chinese students at Shanghai have not waited for the Government to inaugurate military training, but have gone ahead on their own accord and started drilling. It is said that some 15,000 students in the Shanghai district alone have purchased uniforms for this purpose. Anyone who observed the cadet review at Shanghai on June 10 when more than 5,000 students, boys and girls, participated, at once realized what is going on. Then we have had reports of recent addresses on the necessity of military training by such men as Chiang Kai-shek, Feng Yu-hsiang, Li Tsung-jen and Li Chi-sum. Even civilian political leaders who heretofore have been opposed to militarism in China are now talking about a large unified standing army, and there are rumors in circulation of the employment of foreign military instructors in large numbers. Also there is talk of the development of coastal fortifications and wholesale purchase of modern military equipment. Gen. Chiang Kai-shek, commander of the Nationalist Armies, in a recent address before the alumni of the Whampoa Military Academy at Nanking, declared that it was necessary for China to

immediately take steps to "reduce the enormous army of some 1,500,000 men to a standing army of 500,000. We need *only* a standing army of 500,000 men for our national defense." One of the civilian officials of the Nationalist Government also mentioned the figure 500,000 as indicating the size of the standing army which China expected to develop *within the brief period of three years.* The number 500,000 seems to stick in everybody's mind, possibly because that is the approximate size of the present Japanese standing army. A Chinese writer in a recent discussion of China's present diplomatic problems, urged the necessity of a standing army and the selection of a "national enemy" as the best means of unifying and developing China into a modern nation. In brief, it seems that the success of the military phase of the Nationalist revolution, has been followed not by thoughts of peace, but by thoughts of war—obviously an unfortunate situation for a nation which needs all of its resources for the works of peace. Also in an international sense it is distinctly unfortunate that a new nation just being borne into the family of nations should be looking toward militarism, when most of the other nations of the world are groping about trying to find a way to prevent war and to disarm. The reason for this situation in China is not necessary to explain: it is a natural outgrowth of the failure of the Chinese people to obtain by peaceful means what they consider to be their rightful position in the world.

THE CARE OF CHINA'S NATIONAL RELICS

IN THE MIDST of pressing military, financial and economic problems, it is encouraging to read in the reports of the official *Kuo Min* news agency for June 21, that the Nationalist Government Council has found time to appoint a commission which will have charge of the preservation of national relics in Peking, including the contents of the Peking Museum. The Commission which has been appointed consists of the following,

Li Shih-tseng	Tsai Yuan-pei	Yi Pei-chi
Hwang Fu	Lu Chung-lm	Yu Yui-jen
Wang Ching-wei	Kiang Han	Hsueh Tu-pei
Chwang Wun-kwan	Wu Tze-hui	Tan Yen-kai
Li Lieh-chun	Chang Ching-kiang	Chiang Kai-shek
T. V. Soong	Feng Yu-hsiang	Yen Hsi-shan
Ko Shao-wen	Ho Ying-chin	Tai Chi-tao
Chang Chi	Ma Fu-hsiang	Hu Han-ming
Chao Tai-wei	Panchan Lama	One Tibetan Chief.

This Commission was recommended jointly by the National University Council and the Ministry of Interior and is non-political in character. There is hope that the Commission will begin functioning at once in order that steps may be taken to prevent the further looting of national relics from the Peking district, it having been reported that the retreating Fengtien officials helped themselves quite liberally before their departure from the northern capital. China has an invaluable asset in her national relics and now that a new government has come into power with a broader viewpoint than has prevailed in the past, there is hope that immediate steps may be taken to properly protect and make available for public inspection and study, China's invaluable store of relics of the past. Very few Chinese realize the value of their country from the standpoint of the foreign tourist and student, a subject suggested by the recent action of the Nationalist government from the standpoint of protection of China's national art treasures. Recently we read a report from the United States telling of efforts which are being made on the part of the various Trans-Pacific steamship lines to encourage travel in the Far East. According to the report the Canadian, American and Japanese steamship lines have decided to pool their efforts in an advertising campaign to encourage Pacific travel. China should immediately take steps to cooperate in this effort to encourage Americans and Europeans to travel in the Far East. The money which the American tourist has expended in Europe since the World War has been of great assistance in the financial rehabilitation of European countries. It can have a similar influence in the Far East if properly handled by cooperation on the part of the Chinese. A properly organized tourist business would go a long way in helping China pay off her railway indebtedness.

ASIA'S GROWING IMPORTANCE IN THE WORLD MARKET.

WHEN a few weeks ago a telegram from London announced that Great Britain's share in the export trade of the world was eleven per cent of the total, it suggested a consideration of statistics dealing with world trade from the standpoint of America and other Nations. In this connection, there has just been received a valuable book issued by the Dresdner Bank of Berlin, entitled, "The Economic Forces of the World," which contains 150 pages of statistics, and among them is a table giving the relative share of the principal exporting countries in the trade of the world. As against England's 11 per cent (or 12 per cent as the German figures give it), the United States stands at the head of the list with 16.8 per cent of the export trade of the world. Germany's share is 8.3 per cent. Compared with the figures of 1913 (the last complete year before the outbreak of the war in Europe), America's share in the total export trade of the world rose from 13 3 per cent to 16.8 per cent, while England's share dropped from 13.9 to 12 per cent, and Germany's from 13.1 to 8.3 percent. Among the four outstanding trends of development in world trade as compiled by the Dresdner Bank is *Asia's growing influence in the world market.* Other points noted by this German economist are: a considerable diminution of Europe's share in the world's trade and the increasing importance of North America. On the latter point the writer says: "In the United States the foreign trade is only small compared with home production, but America's share in the world's trade is nevertheless considerable. The constantly growing productive capacity of North America may possibly, under certain circumstances, produce, in the future, serious effects on the world market." America's premier position is partly accounted for by the huge exports of cotton and oil. China is the world's greatest importer of synthetic dyes and has become an important purchaser of artificial silk, in which industry America leads the world in production, but of which the priniciptal exporters are Italy and the Netherlands.

THE FUTURE OF THE ARSENAL AT HANYANG

AMONG the problems which the Nationalist Government has before it is that of deciding what shall be the future of the large arsenal at Hanyang. The Wu-Han Political Council has put forward tentative proposals for the conversion of the

arsenal into a plant which would serve commercial purposes somewhat on the same lines as the great Krupp gunworks in Germany were diverted to industrial uses. The Hanyang arsenal dates back to pre-Revolutionary days and was installed on German lines. The very existence of the arsenal at Hanyang made the Han cities an object of repeated attacks from the north during the Revolution of 1911, and the Nationalist authorities feel that it would be conducive to the future peace of Central China if the arsenal were converted into a modern machine shop and devoted to purely commercial purposes. One of the difficulties that stands in the way of such conversion is that a large group of Chinese officials are in favor of retaining the arsenal for the production of ammunition. Another is that of providing for the future of the large staff of arsenal workers.

More Speeches By Clementi in Support of Japanese Intevrention

Sir Cecil Clementi, Governor of Hongkong, British Colony in South China, in an address delivered at Victoria, British Columbia, Canada, on his way home to England on leave, declared that the "Open Door" is not endangered by the Japanese intervention in Shantung and Manchuria and expressed the belief that "neither Britain nor America are likely to raise any objection to Japan's intervention in China, in the interest of peace—provided the 'open door' is not endangered." Continuing he declared that "not only would the foreign powers benefit from an enforcement of peace by Japan, but China herself would benefit most, for ultimate peace, as the outcome of the present type of Chinese civil war, was visionary."

He declared that the unification of China is an ideal, but a dream no more tangible than the 'United States of Europe,' in view of the "multitude of tongues" in China. He also scouted the idea that Japan, "once dominating her neighbor, would retain slices of her territory."

According to the report of Sir Cecil Clementi's address which appeared in the *Japan Advertiser* on June 22, he paid a high compliment to Gen. Li Chi-sun,the Chairman of the present Canton Government, owing to Gen. Li's action in "taking a strong stand against strikes and boycotts" which had resulted in restoring the prosperity of Canton and Hongkong trade which had been stagnant since 1924. In concluding his address the Governor of Hongkong declared:

"If Japan says there must be no more fighting in Manchuria, or if she forbids further strife in Shantung, Britain should support her. But I do not think Britain will ever be permitted to take a forward aggressive policy there."

Is General Yang Yu-ting Alive or Dead?

General Yang Yu-ting, chief of staff of the Ankuochun, was reported in the Chinese press last week to have been shot at Lanchow by bodyguards of General Chang Hsueh-liang, son of the late Marshal Chang Tso-ling. The incident, as reported, occurred during the course of a conference of Fengtien generals on a hill by the Lan river. A raid was made on General Yang's residence at Mukden the following day by the local gendarmerie, when Chang Yiu-hui, an adherent of General Yang's was arrested.

In contradiction of the above report the *China Times*, Shanghai Chinese newspaper, published a telegram from Peking dated June 26 stating that General Yang was alive and engaged in marshaling troops. A telegram from Nanking in the same paper quotes a Japanese military officer as saying that he had seen General Yang since the date of his supposed assassination and had negotiated certain matters with him.

"North China Star" Opposes Withdrawal of U. S. Forces

The *Toho* (Japanese) news agency dispatched a telegram from Tientsin June 25 stating that the *North China Star*, opposing the policy of withdrawing the American detachments now stationed at Tientsin and Shanghai as alleged to have been recommended by Admiral Mark L. Bristol, Commander in Chief of the U. S. Far Eastern Squadron, has printed an editorial stating that the American detachments now stationed in China can hardly be dispensed with in view of the complicated situation prevailing in China. The *Star* is quoted as saying that it is the consensus of opinion among Americans in China as well as in America not to withdraw the American detachments from China and that the opinion of Admiral Bristol is to be attributed to his lack of knowledge of Chinese affairs.

How Fourth of July Will Be Celebrated in Shanghai

The following is the program for the Independence Day celebration in Shanghai, July 4.

A flag-raising under the direction of the American Company, S. V. C., and the American Troop, S. V. C., assisted by a company from the 4th U. S. Marines and a detachment from the U. S. Navy, will take place at 8.30 a.m. at the U. S. Consulate General. Consul General E. S. Cunningham, Admiral Yates Stirling, commander of the Yangtze Patrol Force of the Asiatic Fleet, will speak.

From 11.30 to 12.30 Mr. Cunningham will receive on the consular grounds.

The baseball game will commence at 3.30 p.m. on the grounds near the entrance to the Shanghai Race Club. Immediately following the conclusion of the game a lawn party will take place, under the supervision of Milton D. Purdy, Judge of the United States Court for China. The lawn party will be featured by a "Rodeo" put on by U. S. Marines under the direction of Lieut-Colonel F. D. Kilgore.

In the evening, from dark until midnight, the Consular Grounds will be illuminated by an electrical display as has been the custom in previous years. During the display, the Municipal Band will play in the Public Gardens, across Soochow Creek, opposite the Consulate-General.

At the Columbia Country Club there will be a band concert and fire works from 9 to 12 p.m. A special dinner will be served.

Dr. C. T. Wang Becomes Member of Political Council

Dr. C. T. Wang, the recently appointed Minister of Foreign Affairs, has been appointed to formal membership in the Central Political Council. Dr. Wang continues to hold the posts of Minister of Foreign Affairs and managing director of the Lung Hai railway, the administration of the latter being largely conducted through Hsieh Tze-liang, the assistant managing director.

Dr. Wang was the guest of honor of the six leading Chinese commercial and financial organizations of Shanghai June 23 at the Chinese General Chamber of Commerce building. The hosts were the Shanghai Chinese General Chamber of Commerce, the Shanghai District Chamber of Commerce, the Chinese Bankers Association of Shanghai, the Shanghai Native Banks Society and the Chinese Ratepayer's Association of the International Settlement of Shanghai. Among those present were Vice-Minister of Foreign Affairs Y. L. Tong, the Mayor of Shanghai, Gen. Chang Ting-fan, Shanghai Commissioner of Foreign Affairs Wenzu King and all the executive officers of these organizations. S. S. Fung, chairman of the Chinese General Chamber of Commerce of Shanghai, presided at the banquet.

$4,000,000 Finance Company Being Formed in Shanghai

A prospectus is being circulated in Shanghai of the Consolidated Finance Companies (Inc. U. S. A.) with a capital of Tls 4,000,000. which has been formed for the purpose of taking over the assets, purchasing the control and securing the outstanding shares of the China Finance Corporation of Shanghai. It will continue to operate the business of the China Finance Corporation on the same lines as hitherto and will extend its activities into other business spheres.

The prospectus states that the new company has been formed for the purpose of owning and operating a group of finance companies throughout China and will handle mercantile trade paper, conditional sales contracts, character loans and trade acceptances.

Among those associated with the new project are Messrs. F. W. Sutterle (President), S. K. Shen and W. R. McBain. (Vice-presidents). A. J. Welch (Treasurer) and N. E. Lurton (Secretary). The Directors of the new concern are Messrs. Stirling Fessenden, F. W. Sutterle, Y. M. Chien, S. K. Shen, Y. R. Sun, W. P. Cheung, M. D. Wong, W. R. McBain, W. K. Wong, A. J. Welch and A. du Pac de Marsoulies.

China Famine Relief Committee Organized in U. S. A.

A committee of 85 churchmen and laymen from various parts of the United States, under the chairmanship of the Rev. Dr. S. Parkes Cadman, President of the Federal Council of Churches of Christ in America, was organized last month by the China Famine Relief to sponsor their drive for $10,000,000.

Death of Marshal Chang and the News Reports!

On Thursday, June 21, the Foreign Consular Body in Mukden sent official telegrams to the Diplomatic Body in Peking announcing the death of Marshal Chang Tso-ling. The report of the Mukden Consular Body apparently did not give the time of Marshal Chang's death, but merely stated that he was dead and that the date of the official funeral ceremony had been announced. The following summary of news reports dealing with "The Progress of Marshal Chang's Death" appeared in The Shanghai Times on June 21 and is reproduced herewith for the particular purpose of acquainting newspaper readers abread with the difficulties which surround the reporting of the news in the Far East. It is now generally believed that Marshal Chang Tso-ling actually died a few hours following the bombing of his train at 5:38 o'clock on the morning of June 4 at Mukden, but that the fact of his death was suppressed by both the Chinese and Japanese interests in Mukden for several days until the authorities could solve the problem of his successor. At any rate it now seems certain that the "Mukden Warlord" is dead, particularly in view of the fact that the foreign Consular representatives in Mukden have been invited to attend the funeral ceremony. The telegrams are listed in reverse order.

THE FUNERAL HELD

Mukden, June 23.

The funeral ceremony of the Marshal Chang Tso-lin was solemnly conducted to-day.—Toho.

"OFFICIALLY" DEAD

Mukden, June 21.

The Civil Governor's Yamen, this afternoon at 2 o'clock, notified the Chinese official organs saying that Marshal Chang Tso-lin died on June 21. As soon as the demise was announced, all the Chinese official offices half-masted the five color national flags as a mark of mourning. It has been decided that the funeral ceremony of the late Marshal Chang Tso-lin will take place at the office of the Generalissimo, here, on June 28.—Toho.

DIED ON DAY OF BOMBING.

Peking, June 21.

It is now generally believed that Marshal Chang Tso-lin died on the day of the outrage. A reliable Japanese report says the late Marshal Chang Tso-lin's injuries in the bomb outrage were slight, namely, one eye cut and his left arm broken, but that the shock caused hæmorrhage of the brain, which brought about death a few hours after the explosion.—N. C. D. News.

Mukden, June 19.

It is now believed almost certain that Marshal Chang Tso-lin is dead, judging from the sudden return to Mukden of General Chang Hsueh-liang, son of Marshal Chang Tso-lin, and his assumption of office as Tupan of Fengtien.

In this connection, it is authoritatively reported that Marshal Chang succumbed to his injuries at 10 a.m. on June 4, the day of the bomb outrage.

But no official announcement has as yet been made regarding his death.—Toho.

CHANG ALIVE AGAIN!

London, June 18.

An official report received in London from China states that Marshal Chang Tso-lin, who is still in Mukden, has considerably improved anf expects to be fully recovered shortly.—Reuter.

DEATH SUPERVENED

Peking, June 16.

While there is still no news of Marshal Chang Tso-lin, the opinion is growing that death has supervened.

SUCCUMBED

Peking, June 14.

While there has hitherto been no official confirmation of Marshal Chang Tso-lin's death, the opinion is gaining ground that he has succumbed to his injuries.—Reuter.

OFFICIALLY REPORTED DEAD

Tokyo, June 12.

Official reports reaching the War Office to-day indicate that Marshal Chang Tso-lin is dead though definite confirmation is not available.—Reuter.

VERY CRITICAL

Mukden, June 10.

According to a confirmed report Marshal Chang Tso-lin has fallen into a very critical condition.—Toho.

STILL UNCONSCIOUS

Tokyo, June, 9.

A telegram from Mukden states that Marshal Chang Tso-lin is unconscious most of the time.—Reuter.

IMPROVING

Mukden, June 8.

In an interview with Reuter this afternoon, Chang Hsueh-ming, Marshal Chang Tsos-lin's second son, who arrived at 2 p.m. to-day from Japan, stated that his father's health was satisfactorily improving.—Reuter.

DANGEROUS CONDITION

Mukden, June 8.

Marshal Chang Tso-lin is still in a dangerous condition He has been taking a little milk and thin rice-gruel since the day before yesterday. His senses are still dull, but he can talk a little.—Toho

LEG AMPUTATED

Peking, June 6.

It is reliably reported from Mukden that Marshal Chang Tso-lin's leg has been amputated about the knee. He has been unconscious since this morning. His condition is very serious.

DEAD

Tokyo, June 6.

Though official confirmation is still lacking, the latest reports reaching Japan indicate that Marshal Chang Tso-lin is dead.

According to intelligence from Mukden, the Marshal's Japanese advisers, who yesterday positively denied the reports of his death, are now disinclined to give a flat denial.—Reuter

DEAD

Nanking, June 6.

An authentic report was received in Government circles in Nanking this morning and reported at to-day's meeting of the Nationalist Central Executive Chang Tso-lin died at Mukden on Tuesday afternoon at 3.30 o'clock.—Kuo Wen.

IN GRAVE CONDITION

Tokyo, June 6.

A despatch from Mukden states that Marshal Chang Tso-lin is still in a grave condition, according to Colonel Doihara, his Japanese Military Adviser. The Marshal has not yet recovered consciousness.—Reuter.

DEAD

Shanghai, June 6.

According to information received by Japanese circles in in Shanghai yesterday Chang Tso-lin has died of his wounds. The report, however, has not been confirmed.

TAKING REST

Mukden, June 5.

Marshal Chang was in a comatose condition yesterday, but somewhat recovered consciousness this morning. The Marshal is now taking a complete rest declining to see all visitors except his near relatives.—Toho.

DEAD

Tokyo, June 5.

According to a special despatch from Mukden to the "Jiji," Marshal Chang Tso-lin has died as a result of the wounds he sustained in the bomb outrage yesterday morning.—Reuter.

SLIGHTLY WOUNDED

Tokyo, June 4.,

According to an official report received at the War Office to-day, Marshal Chang Tso-lin and General Wu Chun-sheng, Governor of Heilungkieng, were slightly wounded and several members of their suite killed or wounded as the result of a bomb outrage when their train was nearing the Mukden Station.—Reuter.

U. S. Steel and Bethlehem Companies Form Joint Export Association

According to recent telegraphic advices from New York, the two largest steel producing organisations in America, namely, the United States Steel Corporation and the Bethlehem Steel Corporation, have combined their export sales departments, with a view to obtaining a larger share of the foreign steel market. A special organisation, which is to be called the Steel Export Association, has been formed and it will absorb the export business of both corporations.

American Opinion on the Far East

The Spring Drive in China

(New York Times, May 27)

Much prominence has been given to two international incidents that have arisen as a result of the northward movement of the Southern Chinese forces. The first has been the clash with the Japanese at Tsinan, in Shantung Province. The second has been the warning of the Japanese that no fighting between the Chinese factions would be tolerated within the borders of Manchuria. Japan is determined at all costs to preserve Manchuria from the evils of the civil warfare that have done so much damage to the rest of China. The fact that she now dominates the railroad connecting the South with the North gives her a lever which, if need be, she can use against the Nationalists if they refuse to respect her insistence that the fighting shall not be carried into Manchuria. This has naturally produced much irritation among Chinese leaders.

Many Chinese have denounced Japan's actions as part of a subtle scheme to ruin the Nationalist movement in China. But there is nothing to show that Japan is hostile to Chinese nationalism or to the groups that style themselves Nationalists. Nor does it follow that she has changed her policy in Manchuria, which has always been to see that peace is preserved. It is true that her past methods—notably in 1908 with respect to Korea and in 1919 at the time of the so-called Twenty-one Demands—have made it inevitable that friends of China should be suspicious of her motives. But those who read sinister designs into her every act overlook the powerful factors of self-interest against such schemes.

Caution is necessary so as not to be misled by the labels used by the various Chinese factions. At least three different groups consider themselves "Nationalists." This does not mean that their opponents are less anxious than they to unify China under one leadership. They speak of a Chinese "republic," thus implying that China has a Government like our own. It is a "republic" only to the extent that it is not a monarchy. There is no President, no Parliament, no Constitution in force. None of these things is necessarily to the discredit of the Chinese or of the Nationalist factions. But it is well to bear them in mind so as not to obtain a distorted picture of conditions in that unhappily chaotic country.

The Advance On Peking

(New York World, June 1)

Another lull in China's war has been followed by renewed activity. The Associated Press reports from Shanghai that the Nationalist armies, advancing from the south, have captured the City of Paotingfu, eighty-five miles from Peking and of sufficient strategic importance to be described as the key to the defense of the capital. This fact in itself, however, is less important than another fact reported in the same despatch: namely, that the advance of the Nationalists into Paotingfu is only one wing of a drive on Peking from three fronts by three separate armies. The Associated Press reports: "It is largely as a repercussion against the Japanese Government's policy in North China that all the southern military commanders are co-ordinating their efforts to-day in carrying out a fresh thrust in the direction of Peking."

This is the old familiar story. Japan served notice on China that she proposed to protect her special interests in Manchuria. This notice was interpreted, perhaps rightly, as foreshadowing Japan's intention to detach Manchuria from the main body of China and establish it as a Japanese protectorate. The result is a fresh outburst of nationalism in China and new successes for the Nationalist armies.

Time and again, Chinese nationalism has been consolidated by foreign opposition. It has been weakest when there has been no foreign pressure to keep it solidified. The question now is whether the Nationalist movement, having advanced for the first time within a hundred miles of its northern goal, has unity enough to carry on until it is master of Peking and then statesmanship enough to give China a real government.

Y. M. C. A. Delegates Entertained by National Committee

Representatives of some 33 different city Y. M. C. A.'s throughout China, who constituted the delegation to the recent fifth employed officers' conference at Pootoo were entertained at a dinner by the National Committee at the Great China Cafe, Friday, June 22. S. C. Chu, director of the National Committee, presided. Daniel C. Fu, general secretary of the Nanking Y. M. C. A, made the address of presentation of a porcelain gold-fish bowl, two porcelain flower pots, etc. to Dr. and Mrs. Brockman and Mr. Herschleb.

Jay C. Huston Heads Commercial Department of U. S. Consulate

Jay C. Huston has been appointed Consul in charge of the commercial department at the U. S. Consulate General in Shanghai. Mr. Huston, who before coming to Shanghai was Consul at Canton, was born at Knox, Indiana, July 20, 1888, his home in the United States being Oakland, California. He attended Leland Stanford University for three years and graduated from the University of California in 1914. He acted as playground supervisor at Oakland while attending college He was appointed, after examination, student interpreter in China March 24, 1915 and since then has held the following positions, the dates given being the dates of appointment. Vice-consul at Nanking, June 26, 1917; Vice-consul at Hankow, October 25, 1917; Vice-consul and interpreter at Nanking, November 1, 1917; Vice consul and interpreter at Hankow November 24, 1917; at Nanking March 8, 1919; at Hankow December 3, 1919; at Canton January 28, 1922; at Tientsin May 10, 1922. While at Tientsin he was promoted to Consul, and on being promoted to Foreign Service Officer was detailed to Hankow, August 8, 1924, and to Canton April 6, 1927.

Mr. Jay C. Huston

U. S. Consulate Publishes Export Statistics for March

A total of $13,708,988 of products from China were shipped to the United States during the month of April, making $51,516,965 for the first four months of the year, according to statistics compiled by the U. S. Consulate General in Shanghai. Silk products accounted for $5,812,056, the total for the four months being $20,993,084. Sheep's wool stood out prominently with an export of $1,379,030. Other prominent items were: Wood oil (expressed from the nut of the *tung* tree), $934,538, and vegetable tallow $102,883. Under the heading of Undressed Furs are: Squirrel $443,667; marmot, $558,494; and weasel $553,816. Goatskins were exported to a value of $893,687 during the month; kidskins, $289,201. Sausage casings ("hot dog envelopes") accounted for $128,487. Bean cake meal, an item of growing importance, showed an export of $105,464. All the figures mentioned are U. S. gold.

Japanese Deputy Objects to Provisional Court Sentence

Japanese Deputy Hasegawa, protesting against the Chinese Judge's "leniency" in fining two unemployed Chinese ten dollars each for distributing pamphlets to employees of a Japanese mill in the Pootoo road district, wrote the following comment on the charge sheet at the Provisional Court, June 25:

"Decency forbids me making any comment on the facts of this case, but I believe it is only right in discharging my duties as senior consul's deputy, to point out that to take such a lenient view of an offence of this kind as the judge has done is extremely detrimental to the maintenance of peace and good order in the Settlement. It should be noted that the pamphlets contained anti-Japanese writings."

Chinese Would Rebuild Fukien University Dormitories

The Chinese students and faculty members of Fukien Christian University have started a campaign to raise a fund of $60,000 to rebuild the dormitory of the school which was destroyed through an incendiary fire several weeks ago. According to a report from Foochow, Fukien Province last week, it was stated that the Chinese students and faculty members had held a meeting and decided that in view of the fact that the money for the construction of the original dormitory was contributed by Americans, it was no more than fitting that the Chinese should themselves raise the money for rebuilding the structure. According to the plans, four smaller dormitories will be constructed in place of the one large building which was burned.

Japanese Press Opinion on China Situation

The following are extracts or condensations of editorials from prominent Japanese newspapers. The headings have been supplied by The Review.

Increase of Japanese Forces at Tsinan Makes World Suspicious

(*Yamato, Tokyo*)

On the eve of war in Northern China, the United States withdrew her garrison to Tientsin without previous notice. Her action caused resentment throughout the international community. The British minister in Peking is said to have urged his home government to protest against the arbitrary decision of the United States. This shows that, despite disagreement, the powers are cautiously watching the progress of the situation in China. The withdrawal of the garrison by the United States is a trifling question, but it is suggestive of her motive.

When the Tsinan incident occurred, the powers assumed an attitude of good will towards Japan, but as the Japanese forces increase, the tone of their public opinion begins to change. They refuse to give a tacit understanding to the policy of this nation. Their displeasure has become visible since Japan presented the note to Peking and Nanking. The influence of Japan, Great Britain, the United States and Russia upon China is decisive. The action of Japan and Great Britain has become more or less harmonious since the Nanking outrage, and they have been vigilant over the China policy of the United States.

Great Britain has been jealous of the economic development of Japan and the United States in China. Thus it is seen that, although Japan and Great Britain have common interests there against the United States, they are in fact competitors.

British Were Worried by Withdrawal of U. S. Garrison

(*Hochi, Tokyo*)

The sudden withdrawal of the American garrison from Tangshan caused a sensation among the powers in Peking and Tientsin. The allied defense of these cities provided in the Boxer protocol will be seriously affected. Japan has increased her garrison to 12 companies. The district alloted to the American garrison is in a locality where Great Britain and the United States have great interests. There are a coal mine and a railway factory, and British residents number 200. Great Britain was worried by the withdrawal of the American garrison without previous notice.

The motive of the United States forms a question. Her action constitutes an infringement of international obligations. Japan sent a memorandum to Chiang Kai-shek, Feng Yu-hsiang, Yen Hsi-shan and Chang Tso-lin, stating her determination to disarm the Northern troops in case of their escaping under arms into the Three Eastern Provinces. The United States may have apprehension of being involved in possible confusion, and this apprehension may be responsible for the withdrawal of her garrison. The United States may have intended to show her China policy by that action and to protest against armed intervention. At any rate, the policy of the United States is not reasonable.

America Wishes to Dissociate Itself From Japan's Policy

(*Chugai Shogyo*)

The United States stood aloof from the powers and withdrew her garrison from Tangshan without previous notice, compelling Japan and Great Britain to take the necessary steps for the peace of Tientsin and Peking and to safeguard their respective interests on their own responsibility. The powers except America effected an understanding, presented joint communications to Peking and Nanking, and they completed their system of defense. The determination of the powers may have induced America to act in concert.

The changed mentality and cooperation of America, even if this be a matter of appearance, are valuable. The independent attitude of America was represented as showing her to be averse from the positive China policy of Japan. If this representation was the case, co-operation will not prove forceful, and consequent disagreement between Japan and America is not improbable. Since the Tsinan incident occurred America has become vigilant and suspicious of Japan in China. The powers may pursue co-operation, but its duration is doubtful. America may have reason for assuming such an attitude towards Japan but jealousy and idle suspicion are perceptible in the policy of that nation.

"Special Position" Versus "Open Door" in Manchuria

Tokyo Nichi Nichi (*May 22*)

Mr. Kellogg has broken silence in respect of Japan's note to China. He informally stated that he would not recognize the special position in Manchuria as lawful because the United States was insistent upon the open door and equal opportunity. This announcement may imply that in case Japan take any action to safeguard her special position America will resolutely reject it. If this conjecture hits the mark, Japan and America will begin to dispute over Manchuria. Japan has never put forward such a claim. As Mr. Kellogg may read in Japan's note to China, the imperial government is anxious to maintain peace and order in the Three Eastern Provinces. We ask Mr. Kellogg what the ground of his fear is and if Japan has ever risen to safeguard her special position there. Once a conflict without bloodshed arose between Japan and the United States maintaining the open door. The position of Japan in the Three Eastern Provinces has been under constant menace from the United States, and has been an objective of her active policy. The principal objective of America's open door and equal opportunity policy is the Far East rather than Mexico and Latin America. That these principles are illogical is probably recognized by all nations other than the United States. It appears that Mr. Kellogg is overwhelmed by the apprehension that Japan will unscrupulously reduce these stipulations to scraps of paper. That is a groundless fear.

Agenda Suggested for Fifth Plenary Session of Kuomintang

According to a report of the *Kuo Min* news agency on June 26, the Standing Committee of the Central Executive Committee of the Kuomintang Party has recommended the following subjects for consideration at the Fifth Plenary Session of the Committee which has been called to meet in Nanking on July 15.

(1) National Reconstruction measures based upon the "Principle of National Reconstruction" by the late Leader Dr. Sun Yat-sen

(2) A national defense policy

(3) Re-organization of the Army

(4) Unification of National Finance and the determination of a National Annual Budget

(5) Designation of the various stages of National Reconstruction.

(6) Reform of the political administration

(7) Acceleration of the Party's progress

(8) A policy for the direction of Mass Movements

(9) Unification of the political administration

(10) Definition and apportionment of the duties and functions of the Party and the Government during the period of Political Tutelage

(11) Convocation of a National People's Conference, and

(12) Foreign Affairs, including such problems as foreign loans, unequal treaties, and the Tariff.

Robert E. Lewis Praises General Feng Yu-hsiang

"What of the Christian General Feng Yu-hsiang?—a Reply to Ill-informed Criticism," is the title of an article in the May 17 issue of *The Congregationalist*, by Robert E. Lewis. Mr. Lewis pays a high tribute to Feng, "who as a peasant boy, witnessed the Paoting massacre of American missionaries in 1900 by the Boxers, never forgot their cool courage and faith, and who emulated them." Discussing the point of whether Feng betrayed Governor Yen of Shansi when the latter attempted to capture Peking last autumn, Mr. Lewis says, "The fact is that General Yen asked Feng not to join him. He was to make the attack on Peking himself." Mr. Lewis also refutes the charge that Feng had acted dishonorably in failing to support Chiang Kai-shek in the northern drive last summer. After discussing the situation, Mr. Lewis says: "Only a madman would charge him with dishonor. The facts effectually dispose of the charge of treachery advanced by his *enemies*, it should be noted, not by his fellow nationalists."

Chiang Kai-shek Suffering from Toothache

Gen. Chiang Kai-shek, commander of the Nationalist military forces came to Shanghai on June 22 for the purpose of having his teeth treated, having suffered from this trouble for some time. Last week he sent a telegram to Shanghai asking that a dentist be sent to Nanking for this purpose, but after inspection of the trouble he decided to come to Shanghai for treatment. Gen. Chiang is being treated by Dr. Daniel G. Collins of Shanghai, who is a son-in-law of Congressman L. C. Dyer of Washington, D. C. Dr. Collins has taken over the practice of Dr. T. G. McMartin in Shanghai.

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Japanese News Reports on Chinese Situation

The following reports are summaries of dispatches circulated to the Chinese and foreign press in China by the semi-official Japanese Toho News Service.

Nanking, June 18—A prominent Chinese official stated today that Peking must be rejected as the capital of China because the foreign Legations are within a Legation Quarter under foreign control which hampers the Chinese Government. The official stated that the capital may be temporarily shifted to Peking, but that the permanent capital will be Nanking.

Tsinan, June 18—Remnants of Chihli-Shantung troops in this district are terrorizing population by banditry and outlawry; Chinese gendarmes arrest 7 bandits; Japanese army doing utmost to cooperate with local Chinese authorities.

Tsinan, June 18—Chinese Red Cross workers, composed of 100 persons divided into two sections arrived in Tsinan for establishing Red Cross Hospital within walled city; chiefs of each group call on Japanese consul Mr. Nishida, asking for understanding.

Chefoo, June 19—Since situation here becoming stable, Japanese women and children who were quartered at Consulate have been allowed to return to their homes; Japanese landing party also to be withdrawn.

Tientsin, June 19—Reported Gen. Chang Chung-chang, ex-tupan of Shantung will attempt to establish himself at Jehol, but Shansi cavalry forces are advancing into this region.

Mukden, June 19—It appears almost certain that Marshal Chang Tso-ling is dead, judging from the sudden return of Gen. Chang Hsueh-liang, his son to Mukden and his appointment as Tupan; now believed Marshal Chang succumbed at 10 o'clock a. m. on June 4, shortly after bombing of his train; no official announcement yet made.

Tokyo, June 20—Meisei-kei Party members today approved resolution expressing sympathy with China and expressing hope that Japanese Government will shortly "take suitable measures in materializing Japan's policy toward China, thus representing the sincere aspirations of the Japanese people."

Mukden, June 20—The American Consulate at Antung has been closed for the time being.

Mukden, June 20—Gen. Yang Yu-ting, who was reported to have been assassinated, is now reported to be still living. He passed the Kuopantze station today enroute to Mukden; now reported that Chang Hsueh-liang and Yang Yu-ting will cooperate in supporting the Fengtien faction.

Tsingtao, June 20—Five warships belonging to the Northern Yellow Sea Squadron, which are now stationed here, will go over to the Nationalists, according to report.

Peking, June 20—According to a Tsinan dispatch, a group alleging they belong to the Red Cross from Shanghai invaded the walled city of Tsinan and started "red" propaganda. A wire carrying electric current to the Japanese Air Force station was cut supposedly by Southerners. The anti-Japanese boycott committee in Tsinan is still functioning despite Japanese objections. The committee is selling fans containing anti-Japanese inscriptions.

Tientsin, June 21—About 350 Chinese armed police invaded the Soviet Consulate here at 5 p. m. yesterday and searched the premises for about five hours. Traffic in the vicinity was suspended during the search.

Hongkong, June 21—The publisher and printer of the Chinese newspaper, *Hongkong Chen Pao* have been convicted by the Hongkong authorities for publishing anti-Japanese news and urging a boycott of Japanese goods. The officials of the paper and printing company were heavily fined and ordered to apologize to the Japanese community.

Tokyo, June 21—According to a dispatch from Los Angeles, three Japanese named Nishimura, Yamaguchi and Kawai have been arrested by the police and charged with being members of the Japanese Communist Party and conducting intrigues for causing a "certain sort of rioting in Japan."

Harbin, June 21—M. Boris Nicholai Merinikoff, chief of the Far Eastern branch of the U. S. S. R. arrived at Harbin on his way to Japan, traveling by Mukden, Tientsin and Peking.

Harbin, June 21—Gen. Wan Fu-lin, recently appointed tupan of Holungkiang, officially assumed office today.

Tsinan, June 21—Of the 112 Chinese soldiers from North China, who were held prisoners by the Japanese army in Tsinan for some time, five were sent to the Tsinan Hospital on account of illness; twelve who had committed crimes were turned over to the Chinese authorities and the remaining 95 officers and men were delivered to the Peace Preservation Society and sent to Lokowchen under escort of Japanese troops. Prior to their departure the cost of their upkeep was defrayed by the Chinese Chamber of Commerce here.

Mukden, June 21—Gen. Chang Hsueh-liang, new military governor of Fengtien, sent out circular telegram urging prompt cessation of civil war; renovation of diplomatic policy; reduction of armament and development of industry; consolidation of finance and lightening of taxation.

Tientsin, June 21—Raid on Soviet Consulate ordered by Gen. Fu Tso-yi, garrison commander Tientsin; Gurigorieff, Soviet Acting Consul refused demand for search, but Chinese searched premises despite objections; reported no documents found.

Tientsin, June 21—Japanese 6th Division in Tientsin supplies Chinese Red Cross with medical materials, which are greatly appreciated by Chinese who express thanks.

Tientsin, June 21—While the maintenance of peace and order in the Tientsin area is continuing satisfactorily, the critical situation is not yet over due to the secret maneuvering of a certain faction which anticipates a schism in the ranks of the Southerners.

Tientsin, June 22—At the high officials conference which was urgently called by the Minseito Party the following resolutions were passed: (1) The despatch of Japanese troops to China should be the last resort while the present Government sent troops to Shantung without suitable precautions, which was a reckless action of the Government; (2) The troops in Shantung should be withdrawn without delay when the Government is convinced China can control situation; (3) Japanese Government should spare no effort in protection of Japanese interests in Manchuria; (4) We congratulate China on steps for improving unity and hope Chinese do utmost put things order internally and secure rightful place in nations' family; (5) Japanese should afford China friendly efforts to serve improvement of welfare Chinese people; (6) Minseito Party regrets it cannot trust the present Japanese Government which has repeatedly failed by becoming involved in China's internal struggle.

Peking, June 22—Now reported that of the 2,100 Fengtien troops under Gen. Pao Yu-lin which were disarmed by Feng Yu-hsiang's forces, that 780 men from Three Eastern Provinces will be repatriated while reminder will be incorporated in Feng Yu-hsiang's forces; believed this arrangement, while unsatisfactory, will save the face of the Diplomatic Corps.

Tokyo, June 22—Japanese Ambassador Matsudaira, who returned today from United States, declared that Japan's despatch of troops to Shantung had created a great sensation in America, but that now the American people understood the purpose was only for the protection of Japanese lives and property.

Tokyo, June 22—Mr. Wakasugi, chief of first section of information Bureau of Foreign office returned today from inspection of China, declared that the Nationalist Government now enjoys a certain extent of stability after completion of Northern campaign and although it may be avoidable that trouble will develop between Chiang Kai-shek, Feng Yu-hsiang and Yen Hsi-shan, but despite this there are signs of peace in Nanking and Shanghai where there are no anti-Japanese signs in evidence. The attitude of the Nationalists indicates friendship for Japan.

Tokyo, June 22—At the ordinary session of Japanese Government Council today, the authorities decided, after reviewing the matter of Japanese policy toward Manchuria and Mongolia, that Japan's policy remains unchanged despite the change in the authority in those areas. Even if Chang Hsueh-liang may succeed Marshal Chang Tso-ling as a real dictator, Japan's rights and interests already established there should be respected; it is quite plain that Gen. Chang Hsueh-liang is recognizing Japan's attitude, judging from the fact that he is trying to secure the assistance of Japan. The Japanese Government remains optimistic regarding the maintenance of peace and order in Manchuria.

Tokyo, June 23—It is reported that the Japanese Government are now considering the withdrawal of the Japanese troops belonging to the 3rd Division stationed at Tsingtao, while on the other hand they have also decided to withdraw the superfluous troops stationed in Manchuria. This takes into consideration the completion of the withdrawal of the Fengtien troops under Chang Hsueh-liang to

Manchuria and protective measures in the Lungchingtsung district and border districts of Korea.

Tokyo, June 23—The Japanese Government has decided to withdraw a portion of the Japanese troops stationed in Shantung in a few days.

Tientsin, June 23—The Japanese have dispatched a company of troops to the Yutai Cotton mill for protection, while the Yuyung Cotton mill is protected by the American troops. This action is being taken owing to disturbances caused by a strike of 2,000 operatives in the Chinese Heng Yuan Cotton Mill in the Chinese city.

Tokyo, June 23—Referring to Japanese policy toward China, Mr. Hamaguchi, head of the Minseito Party (main opposition) stated that it is a source of regret if there is further delay in the withdrawal of Japanese troops from Shantung; he also stated the Manchuria question is more grave owing to the liability of causing misunderstanding among the powers than stationing Japanese troops in Shantung.

Mukden, June 23—Cheng Chien, formerly Civil-Governor of Kiangsu, when Chang Chung-chang was in control of that province sometime ago, called on Mr. Hayashi, Japanese Consul-General, to announce that Chang Hsueh-liang had assumed office as tupan of Fengtien Province. Cheng Chien wanted to seek an understanding with the Japanese Consul on various questions.

Tokyo, June 23—The military authorities are of opinion that the 6th Division should be withdrawn first of all since it is not equipped to remain in Shantung any longer and that the 3rd Division should be entrusted with the protection of Tsinan and the Tsinan-Tsingtao Railway zone. On the other hand the Kwantung (leased territory) garrison in Mukden will be reduced to normal strength and the Yasuda garrison will be withdrawn to Korea; the Toyohashi regiment will be withdrawn tc its post in Japan as soon as the situation in the Peking-Tientsin area is stabilized and the Fengtien troops which were driven back to Lanchow are orderly controlled.

Tsingtao, June 23—Chao Chi, director of the Tsingtao port affairs, "who is still under the influence of the five-colored Chinese flag has published an edict stating he is prevented from resigning inasmuch as the rights and interests of foreigners as well as Chinese are much complicated." He asks the public not to be disturbed by wild rumors and that he will do his utmost to protect the lives and property of foreigners as well as Chinese.

Mukden, June 23—The funeral of the late Marshal Chang Tso-ling was solemnized today.

Tokyo, June 24—Baron Tanaka, Premier, interviewed today, stated that the Chinese Nationalist revolution will be completed if the Nationalist Government lightens the burden of the people by unifying the nation and readjusting the military and financial affairs. The Japanese Government intends to settle the Tsinan incident amicably through diplomatic channels, but the negotiations are being delayed because we cannot find the proper party to negotiate with in order to stabilize the general situation. The withdrawal of Japanese troops from Shantung is closely connected with the settlement of the Tsinan incident. In reference to the Manchuria question, the Baron stated that these problems will be settled smoothely if Generals Chang Tso-hsiang and Yang Yu-ting will support Gen. Chang Hsueh-liang, the new tupan.

Mukden, June 23—Marshal Feng Yu-hsiang and Gen. Bei Tsung-chi are contemplating advancing into the Jehol district in pursuit of the Fengtien troops now stationed in the Lutai and Lanchow districts, but Gen. Yen Hsi-shan is opposed to this and is complicating matters. On the other hand, Gen. Chang Chung-chang is contemplating to frustrate the activities of Feng and Bei through the influence of the Peking Diplomatic Body, insisting that a continuance of the Northern drive would prolong war calamities.

Peking, June 23—The Diplomatic Corps attaches great significance to the activities of the Nationalist Government in removing the Post Office to Nanking and planning the removal of the Customs and Salt Gabelle Offices to Nanking. The British, Japanese and French Diplomatic officials discussed the measures to be taken by the Powers concerned at a meeting at the Japanese Legation today.

Tokyo, June 23—The Japanese newspaper *Jiji* in an editorial entitled, "International Reputation of Nationalist Government" said it is necessary for Japan to make a quick settlement of the Tsinan question which can only be arrived at through contact of mutual sincerity and faith, but from experience in the past it is well known that China always avoids responsibility and prolongs negotiations and tries to obtain a point of vantage by conducting propaganda in foreign countries. The international reputation of the Nationalist Government will be shown in the settlement of the Tsinan incident.

Tientsin, June 24—It is reported that the Nationalist Central Publicity Department has established headquarters here and energetic prepaganda work is shortly to be started with a fund amounting to $100,000. In this connection it is pointed out that the Nationalist propaganda will be directed mainly at Japan. Mr. Wu Tang-jen, chief of the department stated his intentions to propagate the Three Principles, abrogate the unequal treaties, unify the country and oppose communism.

Peking, June 24—The general public here is in a state of consternation regarding rumors of the removal of the Capital to Nanking. Various organizations are telegraphing to Nanking stating that it is unnecessary to remove the capital merely on account of the advice of Dr. Sun Yat-sen, since the situation has changed since Sun's death. The Peking organizations also emphasize the various cultural establishments in Peking which should not be disturbed.

Tientsin, June 24—Various Nationalist organizations which were suppressed by the Northern militarists, have now reopened their activities, including city and provincial councils of the Kuomintang which are now openly welcoming the students and workers associations to organize independent activities. As regards the propaganda work, the local Japanese authorities have warned the Chinese garrison commander against permitting any anti-Japanese propaganda over the Tsinan incident.

Tsinan, June 25—"Plain-clothes" troops of the Nationalist army have marched into the 20-li zone outside Tsinan and started unwarranted activities, such as firing on Japanese sentries. There are also signs of activity within the walled city of Tsinan. The Japanese military authorities have taken appropriate steps for protection by equipping trains with machine guns between Tsinan and Tungchiachuang.

Tsingtao, June 25—Chao Chi, director of the Tsingtao Port Affairs, who is still flying the old five-barred flag in deference to Gen. Chang Chung-chang, ordered the flag half-masted yesterday on account of the death of Marshal Chang Tso-ling.

Peking, June 25—Much significance is attached to the movements of Feng Yu-hsiang who has taken sick leave under pretext of ill-health. It is also reported that Yen Hsi-shan is irritated at the activities of the Political Committee at the front, has wired Gen. Chiang Kai-shek that he is returning to Taiyuanfu, the Shansi capital.

Tientsin, June 25—In view of the critical situation at Tangshan (headquarters of the British Kailan Mining Administration) the British have dispatched about 1,000 troops to the vicinity. The trouble in the district has been caused by the Chihli-Shantung troops demanding money from the Chinese chamber of commerce.

Mukden, June 25—The quotations of the Fengpiao (Chang Tso-ling paper currency) declined to $2,000 for $100 silver and transactions on the exchanges were suspended.

Tokyo, June 25—The Japanese military authorities who have been prolonging the withdrawal of Japanese troops from Shantung, have now decided to withdraw them in view of the recent quiet situation. Gen. Shirakawa, War Minister is expected to ask imperial sanction for the withdrawal today or tomorrow. It is believed the 3rd and 6th divisions now stationed in North China will be replaced by the Toyohushi Regiment and others which are now moving toward Shantung from North China.

Tientsin, June 25—The *North-China Star*, American paper in Tientsin in an editorial oppose the withdrawal of American troops from Shanghai and North-China which is supposed to have been recommended by Admiral Mark L. L. Bristol, Commander of the American Naval Forces in the Far East. The paper expresses the opinion that Admiral Bristol's opinion is to be attributed to lack of knowledge of Chinese affairs.

Peking, June 26—The Peking "political council" has started to organize various labor unions, those already organized including newspaper carriers and tramway workers; other lines being organized include electric light, telephone, telegraph and railway services.

Tsinan, June 25—It is reliably reported that the Kuominchun troops under Feng Yu-hsiang will shortly replace the troops of Gen. Chiang Kai-shek in the Taian area of Shantung.

Tientsin, June 25—The British authorities have declared that the British troops detailed to Tangshan will be withdrawn as soon as the situation there has quieted down.

Tsingtao, June 26—Miners employed by the suchuan Coal Company, a Sino-Japanese enterprise in Shantung, have gone on strike. The strike is thought to have been started by "certain elements" outside the company and the management has under consideration certain counter-measures.

(*Continued on page 179*)

Correspondence

How Die-Hards Seek to Bamboozle the Public Abroad

To the Editor, *The China Weekly Review*:—

Those who have carefully followed the war news dispatched in recent times to the British home newspapers by die-hard correspondents in China must have been struck by the pro-Northern propagandistic tendency of these reports. It is a pity that only a very few foreigners in China receive the British home papers regularly. Otherwise these correspondents from China would have been fully shown up long ago.

The tendency has always been for the correspondents to make good use of the word "but" when dealing with Nationalist successes. The average report would run: "It is true that the Nationalists have advanced in such-and-such a region, *but* according to the headquarters of the Ankuochun the Northerners have completed plans for a forthcoming general offensive that would encircle the Nationalists as well as cutting them with a flanking movement", etc.

The Northerners at various times have promised within a comparatively short period no fewer than 102 offensives against the Southerners, none of which has ever materialized. But the propagandists have kept up the whole thing with an energy worthy of a better cause.

On April 1, it was predicted in the columns of the London *Daily Telegraph* that there might be a conflict between the Japanese troops and the Nationalists. On April 2 that paper published a dispatch from Tokyo that:— "The Japanese War Office has received a dispatch from Tsinanfu stating that Japanese troops have been forced to disperse a party of about 300 bandits who, taking advantage of the situation, attacked Japanese residences and warehouses." This was the last we heard of bandit-activities, for almost immeditately afterwards it was broadcast all over the world that the Nationalists were responsible for all the depredations.

On May 3, at about the time Chang Tso-ling, the Dictator, Generalissimo, Liberator or what-have-you, was preparing to make a skedaddle from Peking, Colonel H. St. C. Smallwood telegraphed to the *Daily Telegraph* as follows:—

> "The headquarters of the Northerners state that an important offensive is being launched by their forces down the Peking-Hankow railway.
>
> "If this attack proves successful, it must have an embarrassing effect on the Southern advance up the Tientsin-Pukow Railway.
>
> "The Northern troops who were defending Tsinanfu are returning to Tsingtao along the railway between Tsinanfu and Tsingtao, where they are alleged to be organising for defence.
>
> "The situation as regards the salt tax in Chihli Province has improved, but the Chefoo salt officials are being threatened as to the consequences if funds derived from the tax are not produced.
>
> "The local domestic bond market here is weak."

It does not seem that Col. H. St. C. Smallwood has ever taken the trouble to telegraph upon the skedaddle of Chang Tso-ling, but, of course, I am open to correction. "If this attack proves successful," the worthy British Colonel at Peking opined, "it must have an embarrassing effect on the Southern advance up the Tientsin-Pukow Railway." Oh, yes; quite! But "if ifs and ands were pots and pans how happy we'd be" someone has remarked, and Colonel St. C. Smallwood would do much better to stick to his real trade, whatever that may be, rather than to engage himself in such a delicate profession as that of a journalist.

The more one follows the propagandistic tendency of the reports sent home by correspondents out here in China, the more one regrets the absence of a perfectly independent news-gathering organization, one that will send the news and nothing but the news instead of doctoring reports up with "ifs" and "buts". And so long as there does not exist such an agency, the best thing the Nationalists could do under the circumstances is to inaugurate a system of general news censorship. The British maintain a censorship of Chinese newspapers at Hongkong anyhow so the British in China should have no cause to complain of any news censorship enforced by the Nationalists. It would put the propagandists out of business, and they are the such-and-such that have done more harm to Sino-foreign relations than anybody else.

J. A. J.

Chefoo, June 23, 1928.

A Challenge to the Kuomintang

To the Editor, *The China Weekly Review*:—

Concerning your suggestion of establishing a Chinese news service,

I may mention that the Kuomintang has always laid stress on propaganda, but there are two lamentable weaknesses in their endeavors (1) Lack of co-ordination; and (2) the failure of the Kuomintang in organizing effective publicity in the English or other foreign languages.

One recalls the great emphasis Eugene Chen laid on publicity about a year ago. He was adequately "press-agented," and largely because of his journalistic background. He laid proper stress on the dissemination of Kuomintang news by developing the *People's Tribune*, which was circulated in more than forty countries of the world. In fact, no small amount of Mr. Chen's diplomatic success was due to his publicity work.

It is time for the Central Propaganda Department to wake up and *do something* in getting the Kuomintang point of view systematically broadcasted throughout the world. So the first step the Nanking authorities ought to carry out is to get a well trained director for the Central Propaganda Department with the aim of working out an efficient system of publicity in both Chinese and English.

Undoubtedly, the *Kuo Min* news agency has shown a good start. But it ought to be enlarged and put on a permanent basis. Branches ought to be organized at once in important commercial and political centers. By engaging a number of Missourian-trained publicists in cities like Hankow, Peking, Mukden, Canton, etc. the Kuomintang will remove considerable telegraph and printing expenses and gain better results than those now obtained from the issuance of long manifestoes.

The organization of a national news service cannot be taken up by private enterprises at the present time, because of financial considerations. Therefore, the responsibility rests on the Kuomintang and doubly so on account of the existence of the Propaganda Department in the Central Party. It does not mean that governmental control of the national news service will necessarily result in a lie-producing machine like certain official news agencies that appear in the foreign die-hard press every day. On the contrary, when directed by honest and broadminded persons the news service can be shaped to command public confidence.

In Shanghai there is a particular need for a Chinese-controlled English newspaper. Because of Shanghai's proximity to the seat of the Nationalist Government, its big Chinese industries and commercial houses, and complicated social problems, we must immediately launch an English daily that will serve to express our point of view, promote our enterprises and consolidate our political sentiments.

In addition to the national news service, the Chinese ought to develop a chain of English newspapers of their own. Since a project of this sort will meet timely and special needs in Shanghai, the Kuomintang authorities should take the initiative in raising the necessary capital and in getting the support of Chinese public bodies. Certainly within a few years, if not a few months, we can raise the required sum of money for putting out an English language organ of our own.

Of the millions of Chinese in Shanghai, how many are patriotic enough to see a preparation committee formed?

C. H. Low E.

5 An Chee Lee, Scott Road, Shanghai

Objectionable References to Chinese in Pictures and Plays

To the Editor, *The China Weekly Review*:—

I wish to protest against some of the comic strips appearing in Shanghai newspapers and against scenes in some of the moving pictures and plays presented here. A recent comic strip depicting strangely garbed creatures, supposedly Chinese, made reference to "sneaking cowardly cutthroats." In a recent amateur production a Chinese character was represented as a despicable little creature. In Douglas Fairbank's "Thief of Bagdad," certain parts were so objectionable to Chinese audiences that they were omitted in succeeding performances.

KINGLU S. CHEN.

Shanghai, June 24, 1928

What We Should Know About China

BY ROBERT BARNETT*

A very vital problem which is of equal importance to the adult resident of Shanghai and the undergraduate of the Shanghai American School is this;—whether he shall make the most of his opportunities and study his environment or live a self-centered, Babbitted existence. Should the individual choose the latter alternative and today live the narrow, prosaic life of a modern port city in the orient, he is throwing away, thoughtlessly probably, the greatest single opportunity for a valuable intellectual investment that he will ever have.

There are two main fields which should be carefully studied. They are widely different though very dependent upon each other. I speak of the field of pure facts and the field of attitudes. Though as the title may suggest, facts might be generally considered the more important, in my mind they are only secondary in importance. Only through a sympathetic and appreciative eye can facts and conditions be seen in their true light. One may question the actual value of carefully analysed set opinions and attitudes when compared with a wealth of material concerning dynasties, rulers, wars, and treaties, but undoubtedly the former is more what China wants you to get and America expects you to have. As a resident of Shanghai one has a very real responsibility, for, if in reality he is a flabbyminded conservative noticing only surface incidents, upon his return to America when questioned he will pose as an authority and delineate in most vivid colors a false and untrue picture. Those fireside conversations are in many ways the strongest means of turning and leading public opinion.

Feature the difference if in the same conversation a more intelligent, sympathetic person told the story. He would outline the characteristics of a stable, courteous, able race who now are experiencing a political and intellectual revolution. He would tell of bombardments and "incidents" but he would still remember that these outbursts and rash actions are merely surface disturbances necessary in every revolt and not indicative of the truer deeper nature of China. In such a conversation his hearers would leave him with a fairly well-balanced impression of what was going on in China. Though, they likely remember no details they have gained an impression and by such impressions rather than by facts is public opinion usually made sympathetic or hostile.

The Background of Fact

But to say that only attitudes are important would be of course illogical, for how can right attitudes be formulated without a background of fact? The teacher of the class of Chinese History at the Shanghai American School this year seems to have dealt very ably with this aspect of a study of China. The history of China's kingdoms dating back to the first grave in Egypt and traced throughout the centuries to the present Republican state of government was excellently studied under her leadership. McNair's text is splendid and coupled with the teacher's tireless effort to introduce aspects of Chinese life not included in the volume by outside speakers and class discussions, this year has been a most profitable one. To those taking the course the worries of deciding what to know about China are largely eliminated but for us who have not been so fortunate the problem is not so easily solved. With its history so lengthy, its geography so vast, and its customs so complex, China is hard to comprehend in its full significance without intense application. In the realm of history probably the most interesting way of studying the record is by comparing at points of interest the comparative development of Chinese and Western civilisation. In other lines of study comparisons made with Western equivalents may be used to advantage.

To trace even very briefly any single line of interest throughout China's ages would be far too lengthy a project for this essay but a few interesting facts picked from significant stages in Chinese history might be listed and effect a favorable influence upon the attitude of a Shanghai American School graduate.

Eastern and Western Parallels†

It is interesting to note that while the first pyramid was being built in Egypt, China was a stable nation subduing wild tribes surrounding her, that China had a written language, marriage laws, and silk worms were raised. At the time of Abraham the art of painting began to take real form and officials painted objects on their garments to show their rank. At the time of Moses, Chinese jade rings had become signs of rank, lyric poetry began, the first colleges and universities were established. It is hard to imagine that almost 2000 years before Christ colleges were being attended by scholars in China. When King David ruled a highly efficient tax system was perfected and philosophy flourished. It is stated that there were one hundred schools of philosophy. At that time also, in addition numerous books on medicine, mathematics, military tactics and astronomy were written. At the time of Julius Caesar and when Japan first organized as a kingdom, Buddhism wa-introduced, an imperial library was opened, portraits of heroes were painted in colors. WhenChristianity was having its foundas tions built amid persecutions, Chu Ko-Liang invented mechanical heroes for use in wars. While Charlemagne was being crowned,books were being printed, local schools were developed, gunpowder was used, paper was made. The Crusades were contemporary with the height of China's literary development, the birth of the drama, the first novels, and the first use of paper money. When America was discovered an encyclopedia had been written and the study of astronomy had grown very popular. With the birth of the United States we find customs duties, porcelain art at its height of development and other forms of art greatly expanded.

Today we find more education, industrial centers, development of ports, tremendous commercial activities, and a vast thought movement.

The Nation's Stability

The surprising aspect of this extremely brief cross-section is the almost aggravating stability of the race. There are no sweeping revolts either political or otherwise and it is not so hard for a student to understand why the China of today does not find itself as adaptable to the changes which its western friends have accepted with ease.

The fact that China of today is not only the most living nation but that it is by far the oldest nation in the world makes a study of its history of importance to the student; but of even more importance is a study of the phases of China and its life much nearer to him. The China of today is not the China of yesterday and since the change has been so rapid a study of this subject must necessarily be specially constructed.

The questions which will be asked a S. A. S. graduate about China will not be limited by any one interest so I would suggest in addition to his study of Chinese history that he try to discover in the life around him some of the customs, ideas, and movements which move the Chinese of our time so effectively and in cases with such unfortunate results.

First it might be well to know something of the population of China, compare it with America's, the size of China, to know its natural and political divisions, its rivers, its mountain ranges and plains, its deserts and sea-ports. If a student knows these facts he can follow more easily the bearing of events as they occur through the whole of China.

We should know what China produces, what she exports and what she imports, what her manufacturers make and where they get their raw materials. He should know that China has probably the richest mines in the world, as yet almost entirely undeveloped, that China leads the world in her production of antimony and wolfram (so valuable in the late World War), that upon her tin supply is America almost wholly dependent. He should know that trade exports from America to China have increased fifteen times in forty-five years, that America sends her cotton goods, oil, machinery, tobacco, fruits, flour and cigarettes in amazing quantities and receives in turn enormous amounts of raw silk, beans and their by-products, cotton, furs, peanuts, eggs, antimony and tungsten, but strange to say almost no tea.

We should know how their standard of living compares with ours, with Japan's, or France's. He should know what they eat and how they live and the influence this will have upon China's competition in world trade.

In addition to this range of information it would be well for him to know something of the military, what they stand for and how they fight; what parts of the country they severally control and what their ultimate goals are.

We should have an idea of the reaction of the Chinese mind toward Communism, Christianity, foreigners, modern science and other forces at work in their lives. In short, he should try to discover the psychology of both the educated and illiterate Chinese mind.

We should try to understand the Chinese student, his enthusiasms, his excesses, his struggles, and hopes. He should compare their zeal with that of our early American revolutionists.

What We Should Know

We should know about the vast movements on foot to bring education to the illiterate of China. He should know what the thousand character system for teaching illiterates is. He should try to find out what China is teaching its people through its posters and its pamphlets. We should know that even in the last ten years of China's turmoil she has been

*The essay won first prize at the Shanghai American School, May 12, 1928, the wrinner being a member of the Junior Class. The essays were judged by a committee consisting of Miss A. Viola Smith and Messrs. Jabin Hsu and George A. Fitch.

†(The Chinese and Western parallels were found in a diagram printed by the University of Hawaii.)

Reforming the Salt Administration

BY Y. F. TSENG
District Inspector of Chuannan Salt Inspectorate

There are four systems by which salt is administered in the world, namely: Government Monopoly, Merchant Monopoly, Transportation by Government and Sale by Merchants, and Free Trade. All these four systems have been tried with varying results and have their good and bad points.

I.—Government Transportation

Under this system the salt produced by the salt makers is purchased and transported to the various consumption areas by Government for sale. According to the principles of economy, the salt produced by the people is transported through the agency of the Government direct to the various consumption areas for the supply of the people, saving the profit derived by the middlemen, *i.e.* intermediate transporters. It enables the people to procure cheap salt and benefits the Government with increased revenue. Deep-rooted as the evils of our officialdom are, the system often generates malpractices such as forcing down the buying price and raising sale prices, charging exorbitant freight, maladministration, etc., if the control of the monopoly is not entrusted to a man of principle and ability, and if the trade and transportation are solely in the hands of the ordinary officials. Instead of making any profit, it often results in loss to the Government. The evils often counterbalance the benefit. In addition, there are malpractices such as shortweight and adulteration of salt, to the annoyance of the people. Superabundance of officials and waste of money are only evils of a secondary degree.

II.—Merchant Monopoly

Under this system the salt is transported and sold by the merchants. By this system the Government is assured of the revenue receivable and the price in the consumption areas is restricted by regulations while the consumers are also assured of an adequate supply of salt. The advantage derived from such a system is that there are fixed merchants and a fixed amount of revenue. This system is much in vogue in this country. Hupeh, Hunan, Kiangsi and Anhui are the provinces in which this system is conspicuously in force. However such a system often engenders vices, such as short transportation, arbitrary raise of sale price and adulteration of salt, detrimental to both the collection and consumption of the people. The capital required will be comparatively smaller if the quantity of salt transported is small and the price will be higher if the stock of salt is little. Since with a small investment large returns could be gained, it is but natural that the monopolists should be eager to practice them. Attempts on the part of the Government to curb such malpractices usually proved to be futile.

The collection depends on the consumption of Salt. Though guaranteed collection of revenues and supply of salt were strictly prescribed at first in course of time circumstances generally forced such prescription to become ineffective.

At present the system in force in the four Yangtsze provinces is still merchant monopoly. The highest record of consumption during the years 1920 to 1922 averages annually 4,570,000 piculs. Even including salt supplied to the four provinces by Szechuen, Lianghuai and Kuangtung, the annual consumption should not exceed 5,500,00 piculs, which is less than 50% of the amount which the provinces ought to consume. Calculating according to the following table and as a conservative estimate, the annual consumption of the four Yangtsze provinces should be annually 9,000,000 piculs or thereabouts. The loss of revenue to the Government at the rate of $4.50 per picul is thus estimated to be no less than $15,000,000 or thereabouts.

III.—Transportation by Government and Sale by Merchants

Under this system the salt is transported by the Government agents to the consumption areas for free disposal by the people. If such an enterprise is entrusted to the right person, theoretically it may result in increasing the revenues, benefiting the people and affording convenience to the merchants. There are three reasons supporting the above assertion:

a. There is no middleman profit by the transportation merchants and consequently the sale price in the consumption areas will be cheap.
b. If the government undertakes the transportation, harassing exactions by bandits and by checking stations en route may be mitigated.
c. After the salt has been transported to the consumption areas by the Government, the merchants who go into the salt business therein, need no large floating capital and therefore free trade can be actually carried out. However this system fails on most occasions. The failures in Szechuen, Changlu and Shantung are the most conspicuous. It failed because of the unscrupulous way of doing business, of the plurality of offices and of the many abuses, bringing about calamity on both the consumers and manufacturers of salt and resulting in the enrichment of the salt officers and the decrease of revenue.

IV.—Free Trade

Under this system the trade in salt is carried on absolutely free and never interfered with by the Government. The revenue is collected at the works and the salt after payment of duty is allowed to be transported to wherever the merchants please. The theory of this system is to permit natural free competition in order to adjust the prices, as it is in the case with other merchandise. By free competition and the absence of interference from the government, not only can the expenses be reduced and evils eliminated, but the price will also be naturally adjusted since the trade is free. If the merchants raise the price, the profit to be derived will be heavy and people will be eager to engage in it. As soon as the number of traders is multiplied, the price will consequently drop and as soon as the price drops, the number of traders will fall off. Thus this process repeats again and again, and the price cannot but be adjusted. When the price of salt falls, the trade in the consumption areas will be brisk and the revenue will be automatically increased. This system is one which affords convenience to the merchants, and advantage to the people and thus the revenue can be increased. Those who are opposed to the system are of the opinion that if the free trade only exists in name but is a monopoly in reality, the harm would be greater than attached to a real merchants' monopoly. This is quite true and then the harm is not imputable to any defect of the system but is to be imputed to inability of enforcing such a system.

The Object of Control

To experts of the salt affairs of all countries and of all time, the essential object to be pursued should be to benefit the people and facilitate the trade (merchants) and consequently increase the revenue. To reduce the salt price and eliminate peculation is to benefit the people. To strictly prohibit smuggling from the salt works, to discard the restraints and to minimize official interference is to afford facility to the merchants. When the people is benefited and when the merchants are afforded facilities, the consumption is bound to go up.

The collection of revenue at the works and free trade are measures which tend to benefit the people, to afford facilities to the merchants and to increase the collection. Judging by our unsatisfactory civil service and dispositions of the people, the system of free trade is the most suitable one. Since the trade is free, many offices could be dispensed with and expenditure would naturally be light. Since official interference is withdrawn, then malpractices of the salt officials such as peculation and harassing of the merchants will be eliminated. The result of free trade will be the natural adjustment of the salt price and the increase of collection. Then the salt administration will run smoothly on without any exertion. Not any one system has the power of operating automatically. All these

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continualiy stretching out from many of her cities with an ever-increasing network of roads.

We should know what China's religions are. We should try to sympathise with and understand them. He should know something of their creeds and doctrines and a little about their temples and priests.

We should know who the leading literary and philosophical men of today are—what they are writing and thinking about and the effect upon the public of their efforts. We should know by name Hu Shih and Liang Chi-chao both foremost philosophers and writers of today. The former is a graduate of Columbia University and the father of the literary revolution, the second a cultured Chinese gentleman deeply versed in Chinese learning but still an immensely progressive thinker in his desire to use modern methods.

He should discover what the innermost ideals of the Chinese people are and how they compare with ours. He should understand their ethics and try to correct their meaning with the history that preceeds them.

In closing, I would like to point out the fact that every year the center of the world's activities finds itself nearer the Pacific. This fact will of course make China as time progresses more and more important in the family of nations. The future of the Pacific depends largely on the cooperation between the two largest nations bordering the Pacific,—China and America. Therefore as a graduate of the Shanghai American School one will have a special opportunity to help in bringing about a more harmonious cooperative, peaceful condition between these two nations and the world as a whole, if today he makes the most of his precious opportunity and does his utmost to familiarize himself with China and its unique condition.

systems should be entrusted to the right man for management. Comparatively speaking, free trade yields results quicker than Transportation by Government and Sale by Merchants—which is in turn better than Monopoly. The former system is natural and the latter are artificial. The former is simple while the latter are elaborate. The former produces no harm even if it were not entrusted to the right kind of man while the latter will be ruined if an undesirable man be entrusted with the task.

Proposal for Reform

The ultimate aim of the National Salt Administration should be to carry out the policies of the collection of revenue at the works and free trade. As the conditions in the various consumption areas are diverse, the following *bridge-over reforms* must be resorted to if the free trade system is to be ultimately adopted.

1. The position of employes of the salt administration should not be changed without definite evidence against them. Their treatment should be liberal. Only by so doing can the services of experienced men and experts be procured for the management of the affairs and only by so doing can the inveterate vices of salt officialdom be extirpated.

2. Depots and storage grounds should be erected at the convenient places along the land and water routes near the works and salt produced should be stored in the depot or storage ground as soon as manufactured. Salt should be released from the store only after payment of duty.

3. At the works salt guards must be organized for inspection of the production and the works so that no salt may be made illicitly and all salt produced must be stored in the designated places of the government.

4. The works guards may be organized from the preventive police. Except the districts such as Chihli, Shantung, Honan and Shansi where earth salt is produced, all the preventive police forces at the consumption areas should be disbanded in order to curtail expenses.

5. The checking barriers en route, being of a harassing nature to the merchant, should all be abolished.

6. The districts in which Monopoly or Government transportation are in force should be gradually opened to free trade. Method (1)—This may be effected by instructing the monopoly merchants who are all of long and firm standing, such as those in the four Yangtsze Provinces, to transport the quantity of salt sufficient for consumption according to the size of the population. If they should fail to transport the required quantity, the balance may be either transported by the Government or by merchants to the various consumption areas for storage. The people may be permitted to buy and sell such salt freely in competition with monopoly merchants to adjust the sale price. By so doing the harms of monopoly merchants may be gradually eradicated. Method (2)—To abolish the monopolistic right by yearly drawing of lot. An adequate compensation may be granted for the rights thus surrendered. Method (3)—At convenient places in the consumption areas which are far away from the areas of production, depots may be established for the storage of salt. The salt may be transported by the Government or merchants. The salt in the depots may be sold to the people of the respective areas for free sale.

7. In districts such as Chihli, Shantung, Honan and Shansi where earth salt is produced, sea salt may be permitted for competition with the earth salt. The rate of duty of such sea salt should be a little lower. The collection of duty on earth salt is very difficult. It may be collected, if necessary, according to the size of the pans by season, or by year.

8. The lands of the districts where earth salt is produced may be turned to arable and fertile lands by irrigation. Funds may be appropriated from the salt revenue for the reclamation of such lands so that the earth salt production may be gradually reduced and so that the power of production of the district may be enhanced.

9. The sea salt and other cheap salt of good quality should be encouraged to compete with high price and difficult-to-transport salt in order to lessen the burden of the people.

10. The works which are difficult to control and where the means of transportation are inadequate should be gradually bought over by the Government for destruction in order to stop the source of illicit salt.

11. The rates of duty of the various districts should be gradually equalized to facilitate control and to avoid complexities.

12. Some of the districts may be amalgamated in order to curtail expenses and facilitate control. The amalgamation of the Chuannan and Chuanpei into one district with the headquarters at Tzeliuching, the amalgamation of Liangcheh and Sungkiang into one district with its headquarters at Shanghai and the amalgamation of Chinpei and Hotung into one district with its headquarters at Taiyuan, the amalgamation of the Huainan and Huaipei into one district with headquarters at Panpu are suggested

Progress Made After the Establishment of the Inspectorate Service

The amount of salt revenue remitted to the Central Government in the Ching Regime never exceeded Tls 13,000,000 in any one year. The total amount of revenue was estimated in the 1st year of the Republic of China to be over Tls 47,000.000, equivalent to $66,000,000, if all revenues collected were remitted to the Central Government. The working expenses were estimated at Tls 7,500,000, equivalent to $10,000,000 or a little over, which represents 15.8%. The net revenue was therefore a little over than $56,000,000 per annum. The following table will show the results achieved by the Inspectorate Service in time of peace.

	1916	Average of 1917-1918	Average of 1919-1920	Average of 1921-1922	Total of 1916-1922	Average of 1916-1922
1. Release of salt by D. I. Offices	28,976,000 piculs	31,699,000 piculs	34,724,000 piculs	36,103,000 piculs	234,028,000 piculs	33,432,000 piculs
2. Revenue proper & miscellaneous receipts by D. I. Offices	$ 63,279,000	$ 66,726,000	$ 74,633,000	$ 85,081,000	$ 516,159,000	$ 73,737,000
3. Remittances by Transportation & Collectorate Office	14,859,000	14,881,000	13,116,000	8,575,000	88,003,000	12,572,000
4. Total of items 1 and 2	78,138,000	81,607,000	87,749,000	93,656,000	604,162,000	86,309,000
5. Approximate annual expenditure of Transportation & Collectorate Office	1,750,000	1,980,000	2,110,000	2,410,000	14,750,000	2,107,000
6. Total of items 4 and 5	79,888,000	83,587,000	89,859,000	96,066,000	618,912,000	88,416,000
7. Administrative expenses of the various districts	6,130,000	7,390,000	8,522,000	9,465,000	56,884,000	8,126,000
8. Total of items 5 and 7	7,880,000	9,370,000	10,632,000	11,875,000	71,634,000	10,233,000
9. Net Revenue	72,000,000	74,210,000	79,220,000	84,190,000	547,280,000	78,180,000

From the above table it may be noted that three years after the inauguration of the Inspectorate Service the collection reached to more than $79,000,000, which is $13,000,000 over that estimated in the 1st year of the Republic while the expenses, $7,800,000 are less by $2,000,000 than the estimated figure. During the 7 years, 1916 to 1922, the release of salt and the collection of revenue showed steady increase every year. The total annual release in 1916 amounted to 28,900,000 piculs or thereabouts, but in 1922 the annual total release amounted to more than 36,100,0000 piculs, showing an increase of more than 7,200,000 piculs. The collection in 1916 amounted to a littte over $79,000,000 but in 1922 the collection amounted to more than $96,000,000. The average of the annual release is a little over 33,000,000 piculs and the collection is more than $88,000,000 while the annual expenditure amounts to $10,000,000 representing 11% of the total collection. The total net revenue amounts to more than $78,000,000. The rapidity of the progress is both perceptible and satisfactory.

No Fundamental Reforms

Beside the unification of duty rate and weighment and issue of salt, the abolition of monopoly at one or two places, the introduction of free trade in Szechuen, Kuangtung and Fukien, the establishment of a Government depot in Changlu, the Inspectorate since its inauguration has not yet effected any of the fundamental reforms such as the control of works, abolition of the remaining monopolies and Government transportation. If by such minor reforms the result should be so good, it shows that there is yet ample room for reform in the national Salt Administration.

Estimate of Collection after Introduction of Reforms

According to the latest census taken by the Postal Administration the national population, excluding Tibetans, Kokonors, and Mongolians aggregates 485,000,000. Calculating at 10 catties of salt per capita, the annual consumption should amount to 48,000,000 piculs or thereabouts. Calculating at the standard rate of duty of $3.00 per picul the total annual collection should amount to $145,000,000. Less $10,000,000 for expenditure and about $20,000,000 for the payment of interest and principal of the Reorganization Loan contracted in the 2nd year of the Republic of China, the net balance left over will amount to $115,000,000.

Tzeliuching, May 30, 1928.

What The Present Crisis In China Means To America !

BY BRIG. GEN. HENRY J. REILLY, O. R. C.

(Prior to the World War, in which he won many decorations, General Reilly visited the Orient and made a study of conditions About a year ago he revisited the Far East as special correspondent of the Hearst newspapers to investigate the situation there especially in its relation to the United States. This article which is reproduced from the New York American for May 27 also appeared in all of the Hearst newspapers in the United States on the same day.)

DOES the dispute begun by the fighting between the Chinese Nationalists and the Japanese troops at Tsinanfu mean anything to this country?

Even though it leads to war between China and Japan, can it affect us, provided we do not meddle with it?

The fact that the Japanese troops drove the victorious Chinese Nationalists out of Tsinanfu just after they had captured it from the northern Chinese is not, in itself, of world importance.

Neither was the assassination of the Austrian Archduke Ferdinand at Sarajevo in 1914. However, it was the spark that set off the conflagration of the World War of 1914–18.

In the same way, the Tsinanfu fight can be the spark which may start another world conflagration. This time, starting in eastern Asia, it could easily spread throughout Asia, and might ultimately involve the greater part of the world, including ourselves.

Bolshevism, Monarchism and Liberalism

Aside from such an unfortunate possible consequence, there is a question which we must immediately answer: Are we going to help the enemies of the principles upon which this republic stands, suppress these Orientals who today are struggling to establish these same principles in the Far East?

There has been, and is still, persistent, widespread propaganda to make this country believe that the struggle in eastern Asia is between Bolshevism and those opposed to it. If this were true, there could be no doubt that our support would go to those opposing Bolshevism.

However, the matter is not so simple as this. Instead of the forces back of the steadily increasingly trouble in eastern Asia being two—Bolshevism and anti-Bolshevism—there are three—Bolshevism, Monarchism and Liberalism.

Japan is a monarchy; Russia is in the power of the Bolsheviki. There are reactionary Chinese who want a monarchy restored in China. There are some Chinese who believe in Bolshevism.

The Nationalist Chinese, one of whose armies has just been driven out of Tsinanfu by the Japanese, are believers in a liberal form of government. Their leaders advocate now, and have always advocated, either a republic, such as that of the United States, or a democratic confederation, such as Switzerland.

An Old-Fashioned Autocrat

Chang Tso-lin, the leader of the Northern Chinese, as a one-man ruler—an autocrat of the old-fashioned type, whose word is law.

It is true that Russian and Chinese Communists have been at work in the territory under his control. He has suppressed them vigorously.

It is equally true, but seldom brought out, that he is as bitterly opposed to a republic or a democratic government as he is to Communism. He classifies the liberal Chinese, who believe in one or the other of these forms of government, as Communists, and vigorously suppresses them along with the Communists.

The probability of his mounting the throne of China has been frequently mentioned and urged by many of his followers, and by Japanese and European believers in monarchy. The picture of his son as a possible Emperor of China has appeared in American newspapers within the last few days.

Japanese Interference

The Japanese have consistently supported Chang Tso-lin. On each of the various occasions during the last ten years when he has been on the verge of military defeat, the tide has, apparently miraculously, turned in his favor at the last moment.

In each case, the Nationalist Chinese have maintained, and many facts have tended to supporttheir claim, that indirect Japanese aid has saved him from defeat.

A study of the history of political events in Japan in recent years shows a tendency on the part of the government to class movements towards greater liberalism as being of Bolshevik or Communist origin, in very much the same way as Chang Tso-lin lumps Republican, Democratic and Bolshevik government together.

Because Japan has a constitution and a parliament, most people believe that it has a liberal form of government, even though it has an Emperor. The average person is inclined to believe the Japanese royal family merely a set of figure-heads, as is true of the British and Italian royal families. This is far from being the fact.

There is a long list of important powers held by the Emperor of Japan, and not by the Japanese parliament, which in Britain are held by Parliament and over which the King has no control.

The Emperor's Power

In Britain, the Premier who is the real executive and corresponds in many ways to our President is responsible to Parliament. The voters, through Parliament can bring about his downfall and a general election. The King cannot remove the Premier, or appoint one the political party in power does not want.

In Japan, the Premier is responsible to the Emperor alone. The political party with the most votes in Parliament cannot secure his removal against the Emperor's wishes.

In Britain, Parliament is supreme.

In Japan, the Emperor, acting through the Cabinet and other administrative agencies appointed and controlled by him, is still the sovereign.

In Britain, all the money revenues of the Government are controlled by Parliament.

In Japan, even though the Emperor has many ways of controlling or ridding himself of an obstreperous Parliament, one-third of the total national revenue is under his control, and not that of Parliament.

In addition, a large part of the expenditures necessary to maintain the army and navy and other governmental bodies are not under parliamentary control.

If Parliament fails to vote the budget under its control, the last yearly budget voted automatically is available for another year.

Though few Americans realize it, we have largely helped to bring about the growth of liberalism and modernism in eastern Asia. Our missionaries in Asia, our schools in this country which have educated Orientals, and our Government of the Philippine Islands are responsible.

The establishment by our missionaries of schools which have taught modern history and American principles of government started it. This was followed by a constantly increasing number of Orientals, particularly Chinese and Japanese who came to this country to take courses in our schools and colleges. This has been going on for several generations.

These men, and more recently women as well, on returning

The Progress of Democracy In the Far East!

1 *In 1897 all of the Far East was governed by monarchies.*

2 *After the entry of the United States into the Philippines in 1898, a republican form of government was inaugurated there, which has continued ever since. From that time until 1911 this was the only republican government in the Far East.*

3 *The revolution in China in 1911 overthrew the ancient monarchy and established a republic. China as well as the Philippines had thus escaped from monarchical control. In the meanwhile, Japan had annexed Korea in 1910.*

4 *The revolution in Russia in 1917 overthrew the monarchy but led to the establishment of the equally iron-handed government under the Bolsheviki. Thus, Japan remains the SOLE monarchy in the Far East today.*

to their own countries have been disgusted with their reactionary forms of government and the lack of modern methods of all kinds. Such students have formed centres from which, more and more, has radiated the idea that the Orient must have better government and must adopt modern industrial and commercial methods.

The Japanese aristocracy, who still retain from feudal times the highest ideas of service toward their country, discovered in their earliest contacts with the white nation that Japan without a modern army and navy could not hold her own.

In investigating what was necessary to produce and maintain a modern army and navy they found they had to have modern industry. They found that modern industry depends upon modern commercial methods. At the same time they saw that a Japanese-owned and operated merchant marine was necessary if Japan was to compete successfully with trade rivals.

They gave Japan a modern army and navy, modern industry, commerce and a merchant marine.

However, as determined as they have been to make Japan a modern nation, in so far as armament, industry and commerce are concerned, they have had no intention of weakening the power of the throne. Such weakening of the power of the throne as has happened has been the result of demands from the nation so persisted in that it was thought advisable to yield.

Each yielding of power has soon led to a demand for further yielding. As history shows plainly this to be the way in which the European monarchs have been stripped of power, the Japanese Government opposes any movement which will encourage further demands.

Today, in Japan, every change from old customs is blamed on what is called the "Americanization of Japan." The increasing demands for greater self government, the lessening of parental authority over children, the desire of many young men and young women to be exactly like American young men and women is all blamed on American movies and, above all, on Japanese students and merchants returning from America.

America "Guilty" of Introducing Liberalism

The belief that we are "guilty" of encouraging the growth of liberalism in the Orient goes much further back.

When Dewey electrified the world by sinking the Spanish fleet in Manila Bay, in 1898, he did far more than take the first step toward replacing Spanish sovereignty with American in the Philippine Islands. As his guns ceased firing when the remnants of the Spanish fleet hauled down their flags, history turned the first page of a new chapter in eastern Asia.

That chapter, so clearly written in the next ten years that the whole Orient saw it, was a practical object lesson in the establishment of a republican form of government among Oriental people.

The Orient followed this work with satisfaction on the part of those who wished to advance the cause of liberalism and disgust and fear on the part of those opposed to it.

However, in this country there has been little comprehension of the great unselfish work done, seldom, if ever, equalled in history.

Indifference of our people to its details is one reason. The greatest cause, however, is the flood of propaganda to grant the Philippine Islands complete independence, which has obscured what we have done, and are doing, in those islands.

This propaganda comes from a small group of Filipino politicians, largely working for selfish ends. It is supported by those European and Oriental sources which, believing on the one hand in Communism, and on the other in Monarchy, are both opposed to the practical object lesson in self-government by Orientals furnished by the Philippines. They know with our hand withdrawn such confusion would soon exist as to furnish an excuse for intervention and the replacement of liberal government by an iron hand rule.

The group of Americans who always judge their country wrong, without waiting to ascertain the facts, have vociferously lent their aid to this campaign to undo our great work.

The facts are, and the Orient knows it, that a collection of different tribes, speaking different dialects, mostly ignorant, overrun with disease, practical serfs bound to the land, largely without political or other rights, or even education enough to comprehend what they mean, have been turned by our Government into a clean selfrespecting, small farm owning, grammar school educated people, exercising for all practical purposes the same political rights as those of the average American citizen in any one of our States.

Before the World War, some of the leading Filipino agitators against the American government of the Philippines used to cite Japan as the natural leader of the Orient. Finally a number of them decided to visit that country and collect data to show how much better off the Japanese were than the Filipinos.

When they came back, at first they tried to dodge the issue. However, pinned down by their followers, they finally reluctantly admitted they had found out that the average Japanese was the subject of a monarchy, with very limited political and other rights, while the Filipino was a free citizen, with all the rights and privileges which go with such a state.

Incidentally, through talking with Koreans, they discovered that agitation such as they had constantly carried on against the American Government, which brought them no punishment in the Philippines, if conducted by Koreans or Japanese against the Japanese Government, would promptly land them in jail.

Led by the foreign-educated Chinese, the number of that race discontented with their bad government steadily increased. Finally, in 1911, this discontent broke out in a revolution which overturned the Manchu monarchy and declared China a republic.

The Bolsheviki revolt in Russia occurred in 1917.

The struggle to unify China under a government similar to our republic, or to the Swiss Confederation, has continued since 1911. In general, the same men, except where death has removed them, are the leaders in this movement. Leaders which have appeared since are followers of the original group.

To charge this movement, which reached a climax sufficient to drive monarchy out of China, to Bolshevism is obviously absurd.

In 1920, the German Royalists drove the President of the German Republic out of Berlin. Immediately afterwards the German Communists seized various industrial districts in Germany.

All over Europe, Royalists accused anyone opposing the German Royalists of being Communists. In the same way, Communists insisted anyone unfriendly to the German Communist was a Royalist. The fact was lost sight of that Germany had become a republic, and all believers in a republican form of government must oppose both Royalists and Communists.

A similar situation exists in the Far East today. Our proper course is not to help either the Communists or the Royalists, or allow their propaganda to fool us as to the real issue.

Japan's Opposition

Our proper course is to follow the line we have pursued since the beginning of our national history; that is, extend our sympathy and help to those working to establish a republic.

In the present case, such a course jibes both with our past friendship and best interests.

From our earliest intercourse, our relations with China have been based on fair play and an entire absence of desire for Chinese territory. The result is that the Chinese have confidence in us, and strong feeling of friendship.

Royalist Japan, on the other hand, has been our most persistent opponent in everything we have desired and done in the Pacific. She has not hesitated to show that she would go to war with us, if she considered it necessary to obtain her wishes.

Modern warfare demands the backing of a powerful industry, well supplied with the necessary raw material.

The more Chinese territory comes under Japanese control, the more she obtains this raw material, the great bulk of which is unobtainable in her own islands, the better prepared the Japanese military party will be to prevent the development of liberal democracy in the Orient; also the better prepared Japan would be for opposing the United States.

Robber Band From Mongolia Kidnaps Bank Managers in Kalgan

The manager of the Bank of Communications, the manager of the Bank of China and the president of the Chamber of Commerce of Kalgan were kidnapped by a robber band from Mongolia recently who held them until they were given $220,000 in silver which they loaded on nine motor-cars and trucks, and then left for Mongolia, according to news which was received in Tientsin from F. A. Larson of Kalgan, and published in the *North China Star*, June 16. The incident occurred in the interval between the evacuation of the Fengtien and the occupation of the Shansi troops. With no opposition the bandits made an easy escape.

Americans in China Have Ample Naval Protection

According to a Washington dispatch recently appearing in the *North China Star*, there are 61 American warships, about 4,000 marines, and 7,500 officers and men of the Navy attached to the Asiatic Fleet in Chinese waters to protect American lives and property. The Commander-in-Chief of the Asiatic Fleet, Admiral Mark L. Bristol, according to a statement made by Secretary of the Navy Curtis D. Wilbur, has been given full authority in the movement of the vessels and the assigning of the marine troops.

The Case of Doctor Seymour

BY ARTHUR H. BROWN

In the New York Times for May 25

It should be known that the demand of the American Consul General at Shanghai for the execution of the murderer of Dr. Walter F. Seymour of the American Presbyterian Hospital at Tsining, China, as reported in The Times of May 23, was made without consultation with the Presbyterian Board of Foreign Missions. The State Department and its diplomatic and consular officials do not deal with missionaries as missionaries, but with American citizens irrespective of their occupation. It is not for me as a missionary secretary either to approve or disapprove the action of the Consul General in Shanghai. It is enough simply to say that he acted on his own responsibility as a Government official whose duty it is to deal with the murder of one of his nationals.

The note of the Consul General added that he must make "in behalf of my Government reservation of the right to present such further requests as it may deem necessary, especially with regard to the payment of appropriate indemnities."

The policy of the Presbyterian Board in such matters has been officially stated as follows:

"It has been and is the policy of the board neither to claim nor to accept any indemnity for the life of missionaries. The board believes that the widow and children of a missionary who has lost his life by violence in missionary service should be provided for under the same arrangements of the Church as in the case of missionaries who died from natural causes, and that in all such cases it is the duty of the Church at home to seek to make its provision adequate to the need.

"With regard to indemnity for property, the board believes that such indemnity may be valid when mission property is taken over by Governments or destroyed by reason of the responsible remissness of Governments, or when the circumstances are such that if it were a case of claim against the American Government it would be recognized as right. At the same time the board does not lay down any general rule, but believes that each case should be carefully dealt with by itself with reference to Christian principles and to the effect of any action or non-action on the missionary cause. It would deprecate and refuse any indemnity which would be levied on the innocent or on the locality where the loss occurred in any way that might injure the Christian cause, and neither missions nor board should ever be involved in punitive actions, for which Governments alone are responsible."

Keeping Clear of Entanglements

So careful is our board to keep clear of entanglements of this kind that when recently a mixed commission of two Americans and two Chinese was constituted in Shanghai to "verify the actual injuries and damages suffered by the American residents at the hands of the Chinese and to assess the amount of compensation due in each case," and the American Minister at Peking and the State Department in Washington selected a Presbyterian missionary, the Rev. Charles E. Patton, to serve as one of the two Americans on that commission, the Presbyterian Board, while highly appreciating the honor implied in the selection of one of its missionaries, replied that it did not deem it wise that a missionary should be identified with a commission whose duties would necessarily involve political and commercial as well as financial interests and involve the missionary enterprise in an "assessment" of "the amount of compensation" that should be exacted.

The missionary is in China as the representative of the Prince of Peace. His purpose is wholly altruistic. He is unarmed, and he does not desire his work to be associated with force. The success of his work largely depends upon the goodwill of the people among whom he labors. He knows that indemnities are seldom collected from those who did the damage, but are usually forced from innocent people of the community. It is significant that during all the troubles of recent years in China in not a single instance have missionaries been molested by people of the cities in which they are stationed. In every case, as in the murder of Mr. Byers in Hainan, Dr. Williams at Nanking and Dr. Seymour at Tsining, the crime has been committed by bandits or undisciplined soldiers from distant places. The Chinese who know the unselfish work of missionaries have shown them every kindness and have done everything in their power to protect them from lawless outsiders.

The Missionary's Dilemma

The Times of May 23 refers to a note of the American Minister at Peking to the effect that "it has been the regular policy of the American Government to advise its nationals to withdraw from zones of actual hostilities where they may be exposed either to accidents, civil warfare, or to the possibility of attack by irresponsible soldiery, and to retire to places where they may be protected."

Should missionaries leave their posts in such circumstances? If they do, they are criticized for timidity and contrasted unfavorably with consuls and Roman Catholic priests who do not leave. If they stay, as Dr. Seymour did, they are criticized as foolhardy. Some people are difficult to please. Missionary work has been slowly developed through a long series of years. Initial hostility and suspicion have been gradually overcome. A prosperous medical, educational and evangelistic work has been built up representing self-sacrificing labor and large expenditure. Its beneficent character has become known and appreciated by the people. Should the missionary run away and leave that property to be destroyed, the work to be disorganized, and he himself exposed to the charge of failing to stand by the Chinese Christians, who, as a rule, are in greater danger than he is?

Of course, the advice of a consul should not be lightly disregarded; but diplomatic policy is naturally prudential. It does not take into account the character and purpose of missionary work or the consequences of abandoning it. Dr. Seymour was a good physician whose hospital was crowded with patients. When wounded men were brought to him, he did not concern himself with the question whether they were Northerners or Southerners, Christians or non-Christians. They were simply suffering men who needed and received his skillful professional attention. He died at his post of duty as a good soldier of Jesus Christ, and his memory will be revered as a heroic martyr to the cause of humanity to which he had dedicated his life in the name and in the spirit of his Master, who Himself was put to death.

The Change in China

(From the Manchester Guardian, June 5)

There can be no doubt any longer of the capture of Peking by one of three main invading armies. Chang Tso-lin, its Northern protector, has left it defenceless, save for a hastily improvised Committee of Public Safety, and the only immediate question is when and by whom the actual occupation will be made. If the three so-called Southern armies were all units under a single command that would be a matter of no consequence. But that is emphatically not the case. Feng Yu-hsiang, the Christian, is notorious even among Chinese generals for the fickleness of his allegiance, and Yen Hsi-shan, who is at the head of the Shansi troops, is known rather for the care with which he has kept clear of allegiances of all kinds. Even Chiang Kai-shek, the commander of the definitely Nationalist and Southern troops, is suspected by many of being less loyal to his nominal masters, the Kuomintang or National People's party, than to his own advancement. For the peace of mind of the foreign population it would probably be best if, as is likely to happen, the Shansi forces should be the first to arrive within the city. The troops of both the other armies have a more evil reputation to live down. It may be that the invading generals have already come to some agreement among themselves upon the future administration or partition of North China. But of this there is no evidence, and it seems more likely on the whole that a solution has yet to be found. It is even possible that it will be found in a renewed outbreak of hostilities. If the three generals are, as is sometimes alleged, no better than the war lords they have displaced this would be the probable outcome. But almost certainly Chiang and Yen are not pure adventurers, and even Feng has sometimes seemed to show elements of patriotic sense.

The chance strongly favor an agreement of some kind, and it would then be true to say, for the first time for many years, that civil war in China had ended. It is even possible that there may be something which might fairly be called a Government of China. But militarism does not die overnight, and it is hardly conceivable that all the victorious generals will at once accept real subordination to the civil power. For the Chinese patriot that is the one thing that matters. The chief gift of the Russians to the Kuomintang was the inculcation of the idea that the party must dictate to the generals and not the other way about. That may well have been the reason why Chiang Kai-shek broke with the Communists. True, he still professes an allegiance to the Kuomintang, but in fact, since the departure of the Russians, he has been the strongest man within it. There are now left to the Kuomintang few if any leaders of known political courage and ability; it is impossible to suppose, even if the generals were not in effective possession of the field, that a vigorous and capable civil Administration could at once be produced capable of discharging the normal functions of government. On the other hand

(Continued on page 170)

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The Revolution in Missions

BY STANLEY HIGH

In the New Republic

THE missionary activities of the Protestant Churches of Europe and America are about to be revised from top to bottom. The changes which were outlined at a world conference, just ended, at Jerusalem, will have results of the greatest importance, not only for religious activity but in relation to the developing nationalistic spirit in those lands where missionary activities have been most numerous and important.

The Churches are not as yet pledged to make the reforms which the Jerusalem Conference recommended. But in view of the importance of the individuals there present, and the inclusive nature of the conference, it seems highly probable that, sooner or later, the recommendations will be put into effect. Among these, the most important are:

1. That, in future, missionary efforts shall be made a part of, and directed by, the church organizations in the country where they take place.

2. That differences among various Protestant sects at home shall not be represented by similar differences, and absurd and wasteful duplication of effort, in the field.

3. That, in future, missionary efforts shall not be regarded as carrying a message from lands where Christianity is an assured success, to lands which are altogether in darkness, but that Christianization and the eradication of evils shall be regarded as a world-wide problem, to the solution of which the whole world can contribute.

It has been apparent for some time that the ideal of self-determination, which has unsettled the white man's economic and political policies in the nonwhite world, has invaded the realm of his religion. This, doubtless, was inevitable. The Christian missionary enterprise has found one of its major apologetics in the fact that it gave attention to human welfare and proclaimed a gospel of equality. But Christian missions have been and are a foreign enterprise in the countries where they go on. It is for that reason that both missionaries and mission administrators, since the War, have had their hands full to check or to direct, as the case might be, the aspirations and consequent demands of the national Christians of Africa and Asia.

The task of readjustment is not at all simple or, in some quarters, at all welcome. But it appears to be inescapable. The Jerusalem meeting of the International Missionary Council, which is the most representative missionary organization in Protestantism, has laid down the first comprehensive statement of the basis upon which it may be undertaken.

The Voice of the East

At the outset, the composition of the Jerusalem Conference was indicative of the nature of the problems that confronted it. The last gathering at all similar to this was in Edinburgh in 1910. Out of twelve hundred delegates at Edinburgh, all but twenty-six were westerners. Of the 240 members of the Jerusalem Conference, from fifty-one countries, more than half were national representatives of the newer Churches of the so-called mission field.

At Edinburgh, as at most missionary gatherings, western Christians met to determine what they proposed to do for the "non-Christian" world, and how. America and Europe were on the giving, Africa and Asia on the receiving end. The Jerusalem gathering officially declared the giving-receiving era of foreign missions at an end. A new period, concerned with sharing, was inaugurated. The balance of power was not western but oriental. The old conception of a Christian, meaning "western," versus a heathen, meaning "non-white" world, was discarded. At Jerusalem, for the first time, representatives of world Christianity sat down together to consider their common message and the common paganisms that, in West and East, confront it.

The program of readjustment outlined at Jerusalem proposes to make Christianity abroad an indigenous enterprise, under the leadership and direction of nationals of the countries concerned. This was held to require the creation of Churches which shall be, not mechanical duplicates of the Churches of the West, but the expression, in architecture and organization, theology and worship, of the aspirations and experiences of the peoples of Africa and Asia. It was held, further, to require the elimination of denominational competition in favor of church unity. The reasons for the disunity of Protestantism, however binding in the West, were agreed to be of little significance among the Christians of the East.

Moreover, the missionary and the mission board were given a new status in the scheme of things. It was agreed that the missionaries, from being the agents of a foreign Church, should be incorporated into the indigenous Church of the land where they work and "made subject to it." They will thus cease to be directors of an American or European enterprise and be enlisted as educators, scientists, and technical experts, "to help the younger Churches to solve diverse and pressing problems."

Similarly, the place of the mission organization in the field will be taken by the indigenous Church. The findings of the conference declare that "the Church-centric conception of foreign missions makes it necessary to adjust the 'mission,' where it is an administrative agency, so that the indigenous Church will become the center from which the whole missionary enterprise of the area will be directed."

"Christianization Must Begin at Home"

There was something unique in eagerness with which the western delegates at Jerusalem insisted that the work of foreign missions, now defined as "the business of world Christianization," must begin at home. The failure of western Churches to consider the un-Christian aspects of their own economic order was declared, in the findings, to be perhaps "the gravest hindrance to the power and extension of the missionary enterprise." Similarly, the extensive report on the question of race relationships begins with a "confession" of the failure of occidental Churches even to approximate, within their own organizations, a genuinely Christian position. It appears to have been much more than a gesture that the delegates from America and Europe appealed for help from the East for the eradication of these obviously western evils.

As I have suggested, how soon the drastic readjustments called for at Jerusalem will be incorporated into the specific activities of the various missionary organizations is still a question. The machinery of the Church, like other machinery, is ponderous. But it is significant that many of the leading missionary administrators of Europe and America were present at Jerusalem and concurred in the declarations accepted there. And the widespread uncertainty in the West as to whether foreign missions should be continued at all, on the old basis—an uncertainty reflected in the curtailed income of mission boards—may hasten the actual initiation of the policies that are outlined.

The Change in China

(*Continued on page 168*)

the nominal supremacy of the Kuomintang will quite possibly be acknowledged even by the generals, and however shadowy its control may be over large parts of China the Powers will almost certainly be asked to recognise it as the Government of China and to treat with it as such.

The demand, when it is made, is one which the Powers will be well advised to consider indulgently. It is to their interest, only less than to the interest of the Chinese, to give a helping hand to the only movement in China which offers the faintest hope of order and settled government. They recognised a Government at Peking for many years which had far less title to respect than the Kuomintang already enjoys. China's weakness has long ceased to be a source of profit to them; and they have, since the Washington Conference of 1921, pledged themselves to "respect the sovereignty, the independence, and the territorial and administrative integrity of China." In pursuit of these principles they have further entered into conferences for the revision of the system of tariff control and of foreign extra-territorial rights. Both conferences came to an end solely through lack of a Chinese Government with whom to negotiate. The Kuomintang will almost certainly claim that that obstacle has now been removed. In the British Government's Memorandum of December, 1928, it was argued that the Powers should declare "their readiness to negotiate on treaty revision and all other outstanding questions as soon as the Chinese themselves have constituted a Government with authority to negotiate." It looks very much as though that time were now at hand and the British Government would be able again to encourage a more rapid application of the principles which all the interested Powers have long professed. Sir Austen Chamberlain has consistently maintained an attitude of sympathy for legitimate Nationalist aspirations, and it is desirable from every point of view that he should, as soon as the situation permits, once more take the lead in proving to the Chinese that the foreign Powers no longer believe that "the economic and political development of China can only be secured under foreign tutelage." The position at the moment is by no means free of difficulty. But unless the Nationalist forces are mad enough to attempt a pursuit of Chang Tso-lin into Manchuria the obstacles should not be insurmountable.

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Political Significance of the Capital Location Question

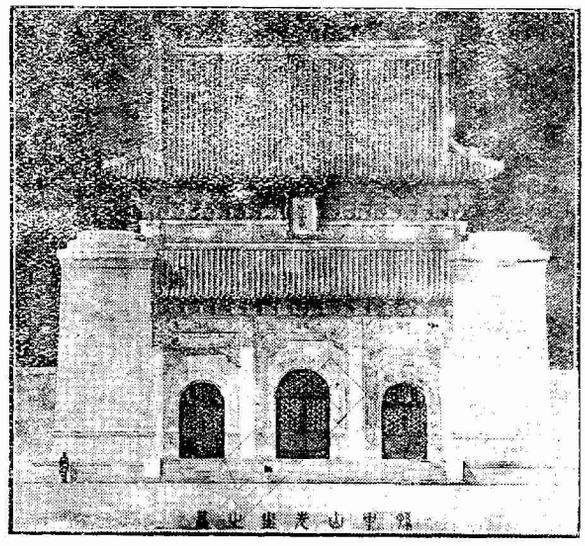
BY J. B. P.

Foreigners who are sincerely interested in assisting the Chinese in the unification of their country would do well to maintain a strictly neutral position in respect to the controversy which has developed over the question of the location of the Capital of China. The reason for this statement is that this question promises to become one of great political significance and if the foreigners mix up in it, the result might very easily become disastrous from the standpoint of Chinese unity and might, conceivably, lead to another division of the country into North and South with two capitals, one in Nanking and the other in Peking.

The Nanking vs Peking Controversy

According to reports which have reached Shanghai recently the decision of the Nationalist Government to make Nanking the political capital of the Republic, has had an effect in Peking somewhat comparable to that of an earthquake. A well known foreign correspondent in Peking in reference to the subject recently wrote, "The Diplomatic Body is stunned at the rapid succession of events—first, the evacuation of Peking by Marshal Chang Tso-ling; and second, the decision of the Nationalist Government to make Nanking the political capital." If this statement is correct, then the latest action of the Nationalist Government Council in voting to change the name of Peking to "Pei-ping" must have produced another shock.

As a matter of fact Peking seems to be about the only part of China which was "shocked" at the decision of the Nationalists to make Nanking the Capital. Dr. Sun Yat-sen planned to make Nanking the Capital at the time of the first revolution in 1911, but could not withstand the pressure of Yuan Shih-kai and the Northern military interests which carried the government back to Peking. The elder leaders of the Kuomintang such as Wu Ting-fang and Tang Shao-yi always advocated the removal of the capital to Nanking, this being a favorite subject of discussion with Dr. Wu who always declared that there was something in the atmosphere of Peking which militated against the development of republican government. Dr. Wu always referred to Peking as a "foreign" city, formerly Manchu and since the Boxer Uprising in 1900, the Capital of the Foreign Powers as represented by the Diplomatic Body functioning in the "foreign" Diplomatic Quarter.



A View of one of the Buildings of the Sun Yat-sen Memorial at Nanking, which when Completed will Cost approximately $3,000,000. The Location of the Sun Yat-sen Memorial Mausoleum at Nanking is Given as an Important Argument for Establishing the Nationalist Capital Permanently at Nanking.

Anyone who asks a Nationalist official for an opinion on this question will immediately receive a reply in favor of Nanking because it was the cherished wish of Dr. Sun Yat-sen that Nanking should be the Capital and gave directions for his body to be buried at that place. But behind this answer is a sound international political reason based upon the desire of all classes of the Chinese Nationalists to get as far away as possible from the dominating and reactionary and deadening influence of the Peking Diplomatic Corps which has always been opposed to the development of republicanism in China. By removing the capital from Peking the Nationalists believe that they will thereby automatically cancel the hated provisions of the Boxer Protocol which permits the Powers to maintain garrisons in the Chinese Capital.

Domestic Political Reasons

Then in addition to the foregoing arguments, there is the further instinctive feeling among the Nationalists that if they moved their capital to Peking that it probably would result in the immediate defection of the Yangtsze Valley and Canton from the Nationalist Government. Occasionally one finds a member of the Kuomintang who states that it might be advisable to remove the Capital *temporarily* to Peking until suitable buildings could be constructed in Nanking; the lack of suitable buildings in Nanking being a distinct handicap. Then one often hears the statement, "The Capital should be at Nanking, *or some other suitable point in the Yangtsze Valley*, while the writer once heard a prominent Chinese official declare that the National Capital should be in the geographical centre of the country which is supposed to be somewhere in the vicinity of Sianfu, the provincial capital of Shensi.

It has only been recently that the Chinese commercial and financial leaders in Shanghai have begun to interest themselves in the question of the location of the Capital. But now the Shanghai bankers and businessmen, the most powerful in the country today (most of them Cantonese and Chekiang men) have begun to think about the importance of developing Nanking from a financial standpoint. For several years Chinese financiers have considered the possibilities of developinga commercial port at Nanking and Pukow and considerable money has already been invested at Pukow for this purpose. It is possible of course for deep-sea ships to call at Nanking, hence the importance of developing the city from the standpoint of foreign shipping. The Shanghai bankers and businessmen are now beginning to realize that if the Capital is established at Nanking that it will result in a boom for that city in enhanced real estate values which probably would more than make up for the expense of constructing new Government buildings. They also argue that the establishment of the Capital in Nanking would also result in the development of the various cities along the Shanghai-Nanking Railway between Shanghai and Nanking and also along the Yangtsze River between Nanking and Shanghai.

Then there was still another argument presented by one of the Chinese labor leaders who argued in favor of Nanking because it would bring the political leaders of the Government into closer touch with the labor and industrial problems at Shanghai, the commercial and industrial metropolis of the country.

The Arguments for Peking

The writer does not wish to give the impression that all of the arguments are on the side of Nanking, but is only presenting the views of the Chinese in this part of the country. One of the high officials of the present Nationalist Government when asked for an opinion on the Peking-Nanking controversy, recently declared: "There are innumerable arguments in favor of Nanking and only three in favor of Peking, but the Peking arguments are important ones. First, the matter of modern government buildings, hotels and residences, none of which are possessed by Nanking; second, the element of Chinese political influence in Manchuria and Mongolia, both of which territories are fighting ground between Japan, Russia and China. If the Capital is removed to Nanking it is likely to cause a weakening of Chinese political influence in those areas which might be disastrous from the future standpoint of the political unity of the country; and third, the fact that the Powers have their Legations in Peking. Despite the unequal treaty situation, it is vital that China should maintain the closest possible relations with the Powers because China will need the assistance of the foreigners for many years to come. By removing the Capital to Nanking, it is likely to cause friction and loss of contact with the Powers who may refuse to remove their official residences to the Yangtsze Valley."

One of the leading foreign newspaper correspondents in China, in a recent discussion of this subject pointed out that there is a strong propaganda on the part of certain Powers, particularly Japan, to prevent the Nationalists from removing the Capital to Nanking. The semi-official Japanese *Toho* news agency has recently been conducting a campaign against Nanking on this question, even making the suggestion that if the Nationalists persisted in making Nanking the Capital that the Powers would be justified in establishing garrisons at Nanking similar to the present situation in Peking. The foreign corres pondent, referred to in the foregoing, stated that in case the Powers persist in their opposition to Nanking that the Nationalists might very well notify the Powers that they might consider, making Peking the Capital, provided the powers would voluntarily abrogate the Boxer Protocol and withdraw their foreign garrisons. Under these conditions the Nationalists might give Peking serious consideration as the Capital; if not permanently, then as a temporary expedient on account of the Manchurian and Mongolian questions and also to permit the construction of a new and permanent capital at

Nanking. This man argued that it would never be possible for the Nationalist Government, without a complete abrogation of its professed principles, to make Peking the Capital under present conditions prevailing in that city with the foreign Legation Quarter, the foreign garrisons and the foreign policing of the railway between Peking and the Sea. The man who made this statement also pointed out that the keeping of the Capital at Nanking would tend to decrease the importance of Peking as a bone of contention on the part of contending military factions in North China. The militant Kuomintangists in Central and South China are not yet fully convinced of the sincerity of the "Nationalism" of the Northern political and military factions which have been adopted into the Kuomintang and the Nationalist Government. The keeping of the Capital at Nanking and the creation of a branch political council in Peking would tend to decrease the importance of Peking and in addition to this the creation of special municipalities at Peking and Tientsin similar to Shanghai and Nanking will also tend to decrease the importance of these cities from the standpoint of control by any general.

China Has Had Many Capitals

Anyone who has made even a superficial study of Chinese history must realize that there is nothing new in the changing of the location of the Chinese Capital city, it having frequently been done in the past. The first record of the location of a Capital in China apparently gives the place as Soochow in Kiangsu Province in the Sixth Century, B. C. In 206 B. C. the Capital was at Loyang in Honan Province and in 246 B. C. it was at Sianfu, Shensi province. In 222 A. D. the Capital was at Nanking and during the Sung Dynasty in 1127 the Capital was located both in Nanking and Hangchow. But at about the same time the Kin Dynasty had a Capital near the present site of Peking which was taken over by Kublai Khan and renamed Cambuluc in 1259 A. D. The Manchus had their original Capital in Mukden in 1616 and then transferred it to the Tartar City of Peking in 1644.

China Famine Relief Movement Making Good Progress

Although considerable opposition had developed at first to the proposal of the China Famine Relief National Committee to raise a fund of $Gold 10,000,000 for the relief of famine sufferers in Shantung province, the movement has in the meantime received the approval of Secretary of Commerce Hoover and is now making good progress, according to recent telegraphic advices. Rev. William R. Johnson, for many years a missionary in China, assisted in securing public interest in the movement by publishing a booklet entitled, "It Can Be Done." John Earl Baker, national campaign director, who is at present in the United States and who was adviser on railway affairs to the Chinese Ministry of Communications from 1916 to 1926, has assisted in formulating a plan for permanent relief which provides that the more able-bodied among the famine victims shall be employed in building roads, repairing dikes and improving bad canals in exchange for the food doled out by the Commission. A taxation system is also to be introduced.

"How long do you expect it to take you to spend this $10,000,000?" Baker was asked in a recent interview. "Fifty years, we hope" he replied. "We hope and believe the fund will increase rather than decrease. Some may have to go in ways that won't come back, but by revolving expenditures we hope to keep it going."

Public Meeting in London Hopes for Early Unity in China

A large gathering of persons interested in China, which was held in London on May 22, passed a resolution, copies of which have been received in Shanghai, which express sympathy for the Chinese people during their present troubles and urges upon all governments having interests in the disturbed areas of China to avoid taking any position which might threaten the complete integrity of the country. The resolution adopted was as follows,

> "This meeting extends its deep sympathy to the Chinese people during this period of renewed struggle. It urges upon all Governments having interests in the disturbed area carefully to avoid taking any position which may seem to threaten the complete integrity of the country and hopes that a united China may soon be ready to take her rightful place among the nations of the world."

Among those who attended the meeting were Miss Edith Pye, who was in China several weeks ago and Mrs. C. C. Chen, both of whom addressed the gathering.

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王伯羣
(Wang Po-chun)

Mr. Wong Pe-ching (Wang Po-chun) is a native of the town of Hingi, Kweichow Province, where he was born in 1885. After receiving his preliminary education in his native district he was sent to Japan where he attended the Central University, specializing in political economy. Upon his return to China he became publisher of the *Ta-Kung-Ho-Pao* (Great Republic Paper) at Shanghai. When Szechuen and Kweichow Provinces rebelled against the first President, Yuan Shih-kai, Mr. Wong participated in the revolutionary movement and was appointed an official in Kweichow. In 1918 he was elected a representative of Szechuen and Kweichow Provinces to the Revolutionary Military Government of the Southwest. In 1919 he participated as a Southern delegate in the peace conference between North and South in Shanghai. When the conference broke up, Mr. Wong returned to Canton with Dr. Sun Yat-sen, Wu Ting-fang and Tang Shao-yi and again participated in the Military Government, serving as Minister of Communications.

When Dr. Sun Yat-sen was elected President by the Canton Parliament, Mr. Wong was appointed Civil Governor of Kweichow, but after the success of the Northern Expedition in the Yangtsze Valley, he came to Nanking and was appionted Minister of Communications by the Nationalist Government. He is a member of the Nationalist Government Council, the Central Political Committee, and President of the First Chao-Tung University (formerly Nanyang College) at Shanghai. His present address is care of the Ministry of Communications, Nanking.

Closer Cooperation Between Chinese and Foreign Authorities in Health Matters

Acting on a suggestion of the Greater Shanghai Municipality for a closer working together in certain health matters, and particularly with reference to the slaughtering of pigs, the Shanghai Municipal (Foreign) Council has decided to erect a slaughter house for pigs in Whashing road at an estimated cost of Tls. 6,000. The Health department staff will also be increased. Up until this time the Municipal slaughter house has only been available for the killing of pigs intended for foreign consumption.

General Keng Po-chao
耿伯釗

General Keng Pi-chao who is Director of the former German Concession at Hankow known as the Special Administrative District No. 1, is a native of Anlo, Hupeh Province where he was born in 1884. He received his early education in his native town and later attended a number of schools in Japan. After his graduation from the Cavalry Department of the Japanese Military Academy, he was appointed military secretary to Dr. Sun Yat-sen in 1911. During the first year of the Chinese Republic he was Chief of Staff of the Nanking Garrison. On several occasions he served as Political and Military Adviser to the President of China. After the retirement of Dr. Sun Yat-sen, he was given the title of general by the Peking Government.

When the Nationalist Revolutionary Forces arrived in Hankow in September 1926, Gen. Keng was appointed Director of the Hupeh Telegraph Administration which post he later resigned to take the Directorship of the First Special District of Hankow.

Electric Burglar Alarm System in Operation in Shanghai

Prompted by the dangerous crime wave that swept over Shanghai last fall the Oriental Electric Protective Association was formed in September 1927, with S. A. Seth as manger. It has been the purpose of this association to introduce into the city with the cooperation of the Municipal Council a burglar alarm system operated by electricity and connected with the police stations of Shanghai. This is the first organization of its kind in Shanghai and is new not only to the city but to all China.

All the equipment which has been necessary in this project has been constructed here in the city under the direct expert supervision of their engineer. According to the plan the system will function in daylight as well as after dark. It will have attachments which will send automatically signals to the nearest police station at the approach of an intruder and also will have an arrangement whereby a direct call for help may be sent.

Several banks both foreign and native, have enthusiastically given their support to the association and it is expected that before many weeks the majority of the leading hongs and banks of the city will have the alarm system installed. Special arrangements suitable for protection of residences have been made and the association hopes, with the support of the whole community in their plan, materially to aid in stamping out the prevalent crime conditions of Shanghai.

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M.
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Mr. C. H. Yang, Managing Director, Peking-Hankow Line, Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road, Shanghai

Men and Events

Mrs. F. P. Bills and children are proceeding to Tsingtao end of this week for a summer holiday.

John M. Hykes, of the Oriental Alcoa, Ltd., returned during the week from a business trip to South China.

Aldrich Barton has returned from a two months business trip in Honan in the interests of Andersen, Meyer & Co.

Mrs. J. H. Paxton, wife of the U. S. Vice Consul at Nanking, sailed for the United States end of last week on holiday.

Allen Paget, a former architect in Shanghai, and a brother of Charles Paget of Canton, died last month at Bogota, New Jersey.

Miss Doris Halford, daughter of Commander Halford of the U. S. S. *Pittsburgh*, departed from Shanghai end of last week for a trip in Manchuria.

The Red Cross Society of China opened its Summer Diseases Hospital at 316 Tientsin road, Shanghai, with appropriate ceremonies, June 23.

According to a recent *United Press* dispatch from Peking, a total of 344 new brands of cigarettes were introduced in China last year, manufactured by 104 different countries.

George F. Sheklen, representative of the Radio Corporation of the Philippines, a subsidiary of the Radio Corporation of America, who went to Manila sometime ago is returning to Shanghai shortly.

D. Y. Lin of Tsingtao University and formerly editor of the *Tsingtao Times* has arrived in Shanghai on a business trip. Mr. Lin was formerly director of the forestry and agricultural department of the Kiaochow District.

The Commissioner for Foreign Affairs at Shanghai has notified the Senior Consul that in the future wharfage dues will be collected at the ports where the cargo is landed, instead of being collected here by the Maritime Customs.

The Rev. K. T. Chung, general secretary of the National Anti-Opium association, is spending several weeks in Canton. During his absence Garfield Huang will be in charge of anti-opium activities.

Dr. R. Y. Lo, editor of the *China Christian Advocate* and member of the China delegation to the Jerusalem Conference, returned to Shanghai end of last week from a four months tour in Europe and the United States.

The formal opening of the new Foreign Y. M. C. A. building at 38 Bubbling Well road, Shanghai, was announced to take place Friday, June 28 at 9 p. m., Major General A. E. Wardrop making the principal address.

R. F. Evans and Russell P. Zimmerman, of C. K. Eagle and Co., Inc., well known silk dealers, are departing from Shanghai for the United States on the President Taft, which sails on July 6, the company having decided to close its Shanghai office.

Arthur P. Henningsen, of the Henningsen Produce Company, Ltd., is sailing from Shanghai for the United States on June 30. Mr. Henningsen will go directly to Minneapolis, where he will join Mrs. Henningsen. Both Mr. and Mrs. Henningsen expect to return to Shanghai in October.

Judge Ziar Yung-sun, president of the division of criminal appeals of the Shanghai Provisional Court, has been granted leave of absence in order to take a trip abroad. During his absence Judge Hu Yu-ku, president of the division of civil appeals, will also act on the criminal side.

The American Chamber of Commerce in Shanghai has received a request from the Delegate of the Czecho-Slovakian Government for the addresses of firms who would be interested in the forthcoming Exhibition of Contemporary Culture in Czecho-Slovakia.

The American Chamber of Commerce circularized its members during the week on the subject of the strength of the Volunteer Corps which Colonel Orpen-Palmer, the Commandant, in a letter to the Chamber stated should be able to mobilize at least 2,000 men as against at present, 1,400 men.

Miss Elizabeth Manget, who was graduated from the ShanghaiAmerican School last week, departed from Shanghai by the Dollar round-the-world liner *President Polk*, June 27, *enroute* to the United States, where she will enter Wesleyan College (Georgia).

A dinner and meeting of the Triangle Service League of the Navy Y. M. C. A. was held on Friday evening, June 22, the entertainment consisting of sleight of hand exhibitions by T. C. Britton, readings by A. Q. Adamson and an address on present political conditions in China by J. B. Powell.

Walton Schmidt, field representative of the American National Automobile Chamber of Commerce, who has been lecturing on good roads and motor transportation in Central and North China, departed on June 23 for Canton and Hongkong, following which he will proceed to the Straits Settlements, India, Australia and New Zealand.

Mrs. MacMurray, wife of the American minister at Peking badly turned her ankle on the afternoon of June 20 while playing tennis at the Peking Club. She had to be carried off the court. The Peking *Leader* states that it was not known at the time whether her ankle was broken, orif it was only badly sprained.

The current number of the *Bulletin of the Pan-Pacific Union* is devoted mainly to the Pan-Pacific Women's Conference which is to be held at Honolulu August 9 to 19. Miss Kyong Bae-tsung, industrial secretary of the Shanghai Y. W. C. A., and Miss Eleanor Hinder, who has had experience in industrial relations in Australia and now in China, are taking an active part in the Section on Women in Industry at the forthcoming Conference.

The faculty and students of Tsing Hua University, Pe-Ring, have issued a 58-page pamphlet covering the Tsinanfu crisis. In addition to a legal discussion of the subject, there are several sketch maps and a portrait of Tsai Kung-shih, Shantung Commissioner of Foreign Affairs. The latter bears the caption: "Murdered by the Japanese Soldiers."

The authorities of the French Concession of Shanghai published an announcement during the week that commencing from July 1 entrance to the parks will be confined to those presenting an annual season ticket, which may be purchased for one dollar. During the summer months the parks in the French Concession will be open daily from 5 a. m. to 11 p. m.

The nine-year-old son of Captain and Mrs. Patrick J. Madigan of the Medical Corps. U. S. Army, became ill of appendicitis on board the German mail steamer *Vogtland* while lying at Taku Bar June 14. In response to a radio message an airplane was sent from Tientsin which met the tug carrying Captain Madigan's family at Hsin Ho, whence an airplane carried them to the army hospital at Tientsin, where an operation was performed. Captain Madigan was enroute to a new station in the United States from the Philippines.

Dr. George Sellett, U. S. District Attorney at Shanghai who has been in San Francisco for some time appearing before the U. S. Court of Appeals in connection with the appeal of Leonard Husar, has cabled friends in Shanghai that he departed on June 23 for his home at Witt, Illinois and after a visit with relatives in that place intended to proceed to Washington for a brief stay before returning to Shanghai. The California Court of Appeals denied the application of Leonard Husar, former District Attorney here, against a decision of the U. S. Court for China under which Mr. Husar was found guilty of bribery in connection with an opium smuggling case.

Opium Suppression Is One of China's Problems

Chien Ko-to, chief of the committee of the National Anti-Opium Association, who is one of the participants in the Economic Conference convened by T. V. Soong, Minister of Finance, has laid before the Conference five points in connection with the opium problem. Mr. Chun enquires: Do we put heavy taxes on opium and prohibit it being bought and sold, simultaneously? He suggests that a committee be appointed to investigate conditions regarding opium in various parts of the country and that a national opium conference be called. He points out that an international opium conference will be held next year and if China's work against the opium trade has been properly done China will be in a position to ask the Powers strictly to forbid the exportation of opium from their territories.

ORIENTAL GOLF COMPANY
12A Nanking Road, Telephone C12608
First Floor
NEW STOCK ARRIVED
Inspection Invited

Japanese News Reports on Chinese Situation

(Continued from page 161)

Peking, June 26—The Fengtien army is now preparing for another fight by assigning the Shantung troops under Gen. Chang Chung-chang at Lutai the first front. It is also expected that there will be further trouble in the vicinity of Tientsin.

Tsinan, June 26—A Japanese soldier named Matsui Haibara was shot by a sniper in plain clothes today while on sentry duty at the armory in the Commercial area in which arms which were seized by the Japanese from the Chinese troops, are stored. The Japanese troops immediately posted a cordon in the area and arrested some 15 Chinese. Another Japanese soldier was killed here some time ago.

Tokyo, June 27—The Cabinet Council discussed further the proposed withdradwal of Japanese troops from China and agreed to entrust the matter to the War Minister. It is understood the following orders will be carried out, (1) the 18th infantry regiment of the 3rd Division and one batallion of the 3rd Artillery Regiment of the same division, now posted in the Peking-Tientsin area will be removed to Shantung. (2) Upon the arrival of the foregoing troops, the "majority" of the reserves of the 3rd Division at Tsingtao and along the Kiaochow-Tsinan line will leave for Japan.

Mukden, June 26—Regarding the troops under Gen. Bei Tsung-chi in the Peking-Tientsin area, it is known that these troops were formerly under Gen. Tang Shen-chi and in view of their unruly nature, it is believed that Gen. Bei intends to take advantage of the situation through the use of these troops.

Peking June 26—On the assumption of Gen. Chang Hsueh-liang as Tupan of Manchuria, the situation has become pacified. Failing to settle the situation through peaceful means it is believed that Feng Yu-hsiang and Bei Tsung-chi intend to continue the Northern expedition into Manchuria.

Tokyo, June 27—Baron Tanaka in an interview today stated that since the situation in North China has become quiet that a portion of the Japanese troops will be withdrawn. He stated however that it is difficult to withdraw the troops from Tsinan because the Chinese are still conducting propaganda against Japan and if the Southern politicians enter Tsinan and conduct propaganda it would be impossible to preserve peace and order. We must therefore secure full assurances from the Chinese for the safety of the Japanese before we withdraw our troops. It is alleged that the Chinese are purposely delaying a settlement of the Tsinan affair in order to embarrass Japan, which if true will only embarrass China. We have no alternative but to wait before according defacto recognition of the Nanking Government. In Manchuria it is absolutely necessary for Japan to preserve order. It is our policy to open the door in Manchuria economically by maintaining peace and order.

Tokyo, June 27—Gen. Shirakawa, war Minister said today that the Japanese military authorities are seriously considering the time and method of withdrawing the Japanese troops from China in both North China and Shantung and believes it is still premature to withdraw the troops in view of the situation at Lanchow where the Fengtien army is engaged in the construction of trenches. Therefore Japan must watch the situation for the time being.

Soong Receives Congratulations on Economic Program

T. V. Soong, Nationalist Minister of Finance, has received several congratulatory messages from various parts of the world on his announcement of June 20 on the subject of financial and economic rehabilitation delivered at the opening of the National Economic Conference now in session in Shanghai. Among the congratulatory messages was a cable from John Jay Abbott, Vice-President of the Continental and Commercial National Banks and Trust Company of Chicago which read as follows:

"Greatly pleased to read of your constructive program relating to the restoring of China's credit in order that access may be had to the world money markets."

(Signed) JOHN JAY ABBOTT

In the American Consular Court for the District of Shanghai, China

In re Estate of Walter B. Wilson, Jr., Deceased	Estate No. 97 NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of Walter B. Wilson, Jr., deceased, to present the same with vouchers to the undersigned on or before December 20, 1928, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

J. E. JACOBS,
American Consulate,
Shanghai

Shanghai, China,
June 9, 1928.

Economic Conference Would Limit Military Exenditures

The second session of the National Economic Conference, now in session at Shanghai, was held on June 27 and received reports from the various committees. Chang Chia-ao, vice-governor of the Bank of China, chairman of the Committee on National Expenditures, recommended that the National Army should be reduced to 500,000 men and that the National military expenditure should not exceed $192,000,000 annually. Chia Sze-nien, chairman of the Taxation Committee, recommended scientific demarcation of national and local revenues and the substitution of likin by consolidated consumption taxes. Yu Ya-ching, chairman of the committee dealing with the subject of impediments to trade and industry, urged tariff autonomy, restoration of communications, unification of currency and protection of private property.

Pei Tsu-yee, chairman of the currency and banking committee, recommended the establishment of a central bank, regulation of provincial banking, commercial banks and extension of savings banks and agricultural banks. He also recommended regulation of currency, bank-note issues, control and regulation of mints and subsidiary currency and abolition of the tael as a unit of currency.

Li Ming, chairman of the committee on national indebtedness stated that China's national indebtedness of $4 or $5 per capita was probably smaller than of any other country and that it should not be difficult to establish a sound credit. He stated the examples of Great Britain and Germany as contrasted with Soviet Russia and said that the Committee favored recognition of all public debts, but suggested that there should be a different procedure in dealing with them because of the different nature of the various obligations. He recommended that China's obligations should be classed under five headings. Finally he recommended a Sinking Fund Commission to control national debts and supervision of the expenditure of future national loans.

The Third Session of the Conference was held on Thursday, June 28, following which the National Official Financial Conference to be participated in by the Ministry of Finance and the financial representatives of the Branch political councils and provinces will assemble in Nanking on July 1, the purpose being to consider and try to make effective the actions of the National Economic Conference.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official), Ta Chung (Kuominchun) and Toho (Japanese) news agencies, and from translations of articles and dispatches appearing in the local Chinese press).

Wednesday June 20—Deadlock over chairmanship of Peking Branch Political Committee with Yen Hsi-shan recommending Chiang Tso-ping; Feng Yu-hsiang recommending Li Shih-cheng, Li Lieh-chun and Chiang Tso-ping and the Kuomintang leaders in the North recommending Chang Chi; reported that Government will pass question over to meeting of Central Executive Committee of Kuomintang on July 15—Nationalist Government Council promulgates regulations and laws for municipal administrations in China; Government appoints board to administer national relics in Peking, board composed of Li Shih-cheng, Yi Pei-chi, Huang Fu, Lu Chung-lin, Yu Yue-Jen, Tsai Yuan-pei, Wang Ching-wei, Kiang Han, Hsueh Tu-pei, Wu Tze-hui, Tan Yen-kai, Li Lieh-chun, Chang Chi-chiang, Chiang Kai-shek, T. V. Soong, Feng Yu-hsiang, Yen Hsi-shan, Ho Yin-chin, Chao Tai-wen, Tai Chi-tao, Chang Ching-chiang, Ma Fu-hsiang, Hu Han-ming, the Panchjen Lama and Unkoatu, the Mongolian Prince—Yen Hsi-shan wires Nanking urging early financial conference and financial reform and opening of railway communication—Gen. Hsu Yuan-chun, former subordinate of Sun Chuan-fang, and Chang Chung-chang, who surrendered to Nationalists has gone to Peking for conference with Yen Hsi-shan—National Economic Conference meets in Shanghai under chairmanship of T. V. Soong—Ministry of Finance denies report circulated by Japanese that T. V. Soong had ordered Tientsin bankers to raise loan of $50,000,000—*Ta Chung* report from Peking states Nationalist generals are preparing to push the military campaign to Shanhaikwan without delay—Mukden report alleges Japanese troops have occupied Linkiang district of Manchuria ejecting the Chinese troops from the area—Wan Fu-lin appointed military governor of Holungkiang province of North Manchuria—*Ta Chung* report states Yang Sen's troops have occupied Chungking, forcing the withdrawal of Gen. Liu Hsiang's troops to the south bank of the Yangtsze; Szechuen generals Teng Hsi-hou and Tien Sung-yao reported to have joined Yang Sen—Chinese chamber of commerce at Shanghai decides to repatriate the 918 Nationalist troops which were recently released by the Japanese military at Tsinan and shipped to Shanghai—Reported that Japanese are planning to permit reopening of traffic on Tientsin-Pukow Railway on July 1—Tsingtao report states Northern Pei Squadron has surrendered to the Nationalist fleet—Peking planning monster celebration of Nationalist victory over Fengtien—H. H. Kung, Minister Commerce and Industry arrives in Peking—Chiang Tso-ping, chairman of political committee in war zone calls on various foreign ministers to discuss treaty revision, but reported in Chinese press he was coldly received at the American, British, Japanese and French legations by subordinate officials—Canton report states Kwangsi provincial government has decided to remove capital from Kweilin to Liuchowfu, the place being more centrally located—Ho Yin-chin, chief-of-staff goes to Hangchow, Chekiang where conference to be held for reforming civil administration—Nanking report states that Kuomintang branch organized in Inner Mongolia and Nationalist flag now flown—C. T. Wang appoints Chu Chang-lien and Chang Hsin-hai as councellors in foreign ministry; Fan Kwang, chief secretary; Chi Chin-wei, head of first department; Chow Lung-kwan, head of second and Hsu Mo head of third department—Wang Peh-chun, Minister of Communications officially announces removal of head quarters of postal administration from Peking to Nanking—Chen Yi-shi, Chinese charge at Moscow reported to have wired Dr. C. T. Wang recommanding that China should resume relations with Soviet Russia—Tsinan report alleges village of Ankiu suddenly shelled by Japanese troops killing and wounding many Chinese.

Thursday, June 21—Nationalist Government Council decided today to change the name of Chihli Province to "Ho-Pei" meaning territory north of Yellow River and also to change name of Peking to "Pei-Ping" meaning Northern Peace; *Kuo Min* report states Government's action should put at rest controversy over changing Nationalist Capital back to Peking—C. T. Wang sent communication to Peking Legations suggesting they send representatives to Nanking to facilitate diplomatic communication—C. T. Wang issues statement regarding plank in American Republican Party's Platform referring to China, Wang asking for early steps with regard to treaty revision—Representatives of various ministries in Nanking hold conference on reform of ceremonial rites—Nanking votes $600,000 to erect radio station at Shanghai under supervision of Li Fan-yi—Yen Hsi-shan submits three proposals to Government for rehabilitation, covering disbandment of troops, unification of finance, centralization of communications; Yen prepares to go to Tientsin and asks Government to make provisions for financing of six Shansi divisions in Peking-Tientsin area—Chen Ye-yi, former Chinese Consul in Mexico sends memorandum to Foreign Ministry stating that the Sino-Mexican treaty has expired and was officially declared terminated by the Mexican Government—Shansi division of central political council formally inaugurated—Kwangtung division of central political council decides to centralize control of labor unions in Kwangtung by amalgamating the General Labor Union, Mechanics Union, Seamens Union and Railway Union into General Labor Union—Kwangtung Government decides to unify and modernize currency and begin program of road construction—Gen. Li Ping-hsien, commander of 1st army corps of 4th group army removes headquarters from Paoting-fu to Peking—Wu-Han Division of political council announces competition for best and most practical plan of reconstruction—Yen Hsi-shan sends appeal to Nanking for funds for support of Chihli-Shantung troops still in Tientsin district; troops now fed by Tientsin chamber of commerce at cost of $20,000 daily—Gen. Chien Ta-chun, at Shanghai issues order prohibiting commandeering of private boats by military—*Ta Chung* report states trouble has developed between Generals Chang Hsueh-liang and Yang Yu-ting and Yang has decided to resign; also reported that Chang Tso-hsiang, tupan of Kirin also having trouble with Chang Hsueh-liang; Chinese papers circulate alleged agreement between Chang Hsueh-liang and Japanese whereby Chang will receive Japanese protection in exchange for supporting Japanese program in Manchuria—Serious reports on outskirts of Chungking.

Friday, June 22—Yen Hsi-shan asks for sick leave, his condition being due to over-work and is resting in the summer palace—Bei Tsung-chi asks Gen. Chiang Kai-shek to come to Peking immediately to assist in solution of political and military problems in North—Nanking decides to appoint Peking Branch of Political Council before meeting of 5th plenary session of Kuomintang; reported Peking Council to be composed of Yen Hsi-shan, Chow Cheng-lin, Chiang Tso-ping, Chang Chi, Feng Peng-jen, Lu Chung-lin, Li Shih-cheng, Shang Cheng, Tien Tung, Ho Chen-shun and a few other northern Kuomintang leaders with Yen Hsi-shen as probable chairman; also stated that Kaifeng branch Political Council will be enlarged to include Shantung Province, with Feng Yu-hsiang as chairman—Officially announced by Mukden Consular Body that Marshal Chang Tso-ling is dead—*Kuo Wen* reports in circulation that the Japanese have recognized Chang Hsueh-liang as his father's successor and that Japanese have arranged for him to employ 10 Japanese advisers to train 130,000 Feng-tien troops including 80,000 already north of the wall and 50,000 south of the wall shortly to be withdrawn to Manchuria—Yen Hsi-shan forbids troops to use foreign property as billets—"Kang Heng-yi" ecclesiastical representative of Pope at Rome calls on Yeh Hsi-shan and according to *Kuo Min* pledges support of Church to Chineee Government and expresses hope that Chinese will, in accordance with the law of the Republic, permit propagation and spread of Catholic Religion in order to raise the moral standards of the people—Ministry of Interior orders suppression of indecent or inappropriate pictures as trademarks for merchandise; suggests patriotic pictures—Wu-Han Branch of Political Council announces establishment of school of aviation—Yin Ju-keng, Nationalist representative in Japan returns to Nanking for conference—Central Party Headquarters at Nanking announces personnel of Party Affairs Directors for the Peking district—Serious banditry situation in Anhwei according to *Ta Chung* agency report which states that bandits occupied town of Liu-an and Hofei—Feng Yu-hsiang announces that as soon as be can reorganize and reduce his army he intends to resign and take a trip abroad-Famine relief committee at Changte, Honan has distributed 2,500 piculs of rice valued at $31,500 to 9,595 poor families in 386 villages—Nanking report states that Party Affairs Directors do not believe that a National Assembly should be called immediately since it might provide opportunity for "disorderly elements" to gain control of party machinery for "illegal activities."

Saturday, June 23—Kuo Min message from Nanking states that mesages circulated by *Reuters* and *Toho* pertaining to disorders by Kuominchun troops, were incorrect since there were no Kuominchun troops in the territories mentioned—the Western Hills section—north of Peking; message also brands as fabrication another report by *Toho* alleging that Feng Yu-hsiang is receiving support from Soviet Russia—Gen. Chien Ta-chun announces settlement of strike of Shanghai filature workers and issues warning against

persons who incite strikes—Kwangtung Provincial Government orders officials to pay homage to tomb of late Wu Ting-fang, who contributed much to the country during his lifetime—American Consul-General Cunningham pays official call on Dr. C. T. Wang, Nationalist Foreign Minister—Kuomintang headquarters in Canton observe anniversary of Shakee Incident when more than 80 students and workers were killed by foreign gunfire from Shameen—Gen. Li Ming-chun appointed mayor of Chengchow, Honan—Chiang Kai-shek returns to Nanking from Shanghai for conference with Central Political Council before departing for Peking to attend conference with Feng Yu-hsiang and Yen His-shan and Northern political and miltary leaders—Motor road projected between Yushanhsien, in eastern Kiangsi and Changshanhsien in southwestern Chekiang—Feng Yu-hsiang asks T. V. Soong to send commissioners to take over on behalf of Nationalist Government of finances in Honan, Shensi and Kansu—Lu Yiu-kang appointed commissioner of education at Canton in place of Ti Chia-chun, who has resigned—*Kuo Min* report from Nanking states that large attendance is expected at 5th plenary session of Kuomintang Central Executive Committee on July 15—Chiang Kai-shek in address before Whampoa Cadets at Nanking declared it is necessary for China to immediately take steps for reducing the standing army from 1,500,000 men to 500,000—Yen Hsi-shan asks Chang Chi to come to Peking from Shanghai immediately in order to assist in the organization of the Peking-Tientsin branch of the Political Council; believed Chang Chi will be appointed chairman—H. H. Kung, Nationalist Minister of Commerce and Industry calls on American, British and German Ministers in Peking—*Ta Chung* report from Peking states there are now more than 100,000 Nationalist troops massed in the Peking-Tientsin area; also reported there are 100,000 Chihli-Shantung troops which surrendered to the Nationalists in the same district; reported that Shansi Provincial Grovernment expended $23,000,000 on the present war—*Ta Chung* report states that Yang Yu-ting, former chief-of-staff of Fengtien forces was not assasinated but he will retire from public life—Nanking report states that G. Zay Wood, former chief of the American and European section of the Nationalist Foreign Office has resigned; was appointed by Huang Fu, previous foreign minister—Hankow report states that Gen. Li Tsung-jen, chairman of Wu-Han branch political council will go to Peking to attend Military Conference—Reported that Yin Ju-keng, Nationalist agent in Japan may be appointed Minister to Japan—*Ta Chung* report states that Japanese Government planning formation of Yen 3,000,000 company to exploit mining and forestry enterprises in Mongolia; company to be subsidiary of Japanese Government-owned South Manchuria Railway—Kiangsu provincial authorities announce intentions to prohibit opium-smoking after July 1.

Sunday June 24—Kuo Wen report Peking states that American, British and Japanese Legations will shortly send special representatives to Nanking; another report, however; states that the foreign consuls at Shanghai will be authorized to conduct negotiations with the Nationslist Government, forwarding communications to the Diplomatic Corps—Reported that Tientsin administration of Tientsin-Pukow Railway will be removed to Pukow—Nanking Political Council to meet on Monday, June 25 to decide upon personnel of Peking branch political council—Yen Hsi-shan instructed to abolish his military diplomatic affairs bureau and permit all diplomatic dealings to be handled by Nationalist Government—C. T. Wang, Nationalist Foreign Minister, states in interview that Capital must remain at Nanking; also stated that Tsinan incident must be settled by diplomatic means—*Ta Chung* ageney report that while urgent messages to all members of the Kuomintang Central Executive Commitee abroad to attend the meeting on July 15, have been sent, it is doubtful whether Hu Han-ming and Wang Ching-wei will be able to attend—Reorganized Kwangtung Provincial Government expected to be inaugurated on July 1—Feng Yu-hsiang military headquarters orders all subordinate officers to spend at least two hours daily in reading literature on the Kuomintang Party and political questions—Feng Yu-hsiang orders investigation of conservancy work on Yellow River—Wang Ching-wei delivers address at meeting held at Chinese Legation in Paris to celebrate success of Northern expedition—Report from Kaifeng states plans to establish zoological garden—Feng Yu-hsiang orders his troops in Tachen and Kuan in southern Chilhli to assist farmers in harvesting grain—Wu-Han political council orders suspension of work on military equipment and decides to turn arsenal into factory for manufacture of industrial articles—Gen. Shih Yu-hsan, commander of the 5th army in western Honan, has ordered campaign against bandits in that area, the number being

(*Continued on page 183*)

THE CHINA WEEKLY REVIEW

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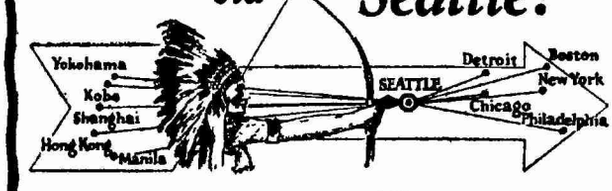

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New Books of Interest in the Far East

An Adequate Study of Communism

Communism. By Harold J. Laski. Home University Library. Henry Holt and Company, New York; Williams and Norgate, London.

This is unquestionably the clearest, most accurate, and most scholarly study of Communism that has so far appeared in print. The fact that it is a volume of the Home University Library of Modern Knowledge is itself an indication of its soundness, and there could be no better selection of a writer than Dr. Laski, the erudite and gifted professor of political science in the University of London.

In his introduction Professor Laski deals briefly with the early history of communistic thought, both in the medieval period and during the Industrial Revolution, coming down to the present day and the actual seizure and holding of power by Communists in one of the great states of the world.

The essential and fundamental point in the Communist philosophy, using of course the word communism in the sense in which it has been appropriated and used by the Bolshevists, is the Marxian interpretation of history, Marxian economics, and the Marxian theory of the state. There is, of course, a certain body of thought known as free communism or anarchist communism, and including as it does such outstanding figures in the world of science and thought as Kropotkin, Elisee and Elie Reclus, etc., it might at least be worthy of mention, if only to differentiate it from the authoritarian movement led by the Bolshevists. It is true, however, that it is only this Bolshevist conception of Communism which has become of real political and social significance in the world today.

There will be, of course, questions as to the actual interpretation of Marxian doctrine, and as to whether or not the Bolshevists are his true followers. Prof. Laski refers to the now classic discussion between Kautsky and the Russian Communists on the meaning of Marxism, and points out that the debate "may be said to have arisen because violence had become abhorrent to Kautsky, as to most humane people, through the horrors of the War, and its deliberate use by the Russians made him recoil in horror from the literal meaning of the Marxian record. He sought, therefore, an allegorical interpretation; words, phrases, connotations were subject to an exegesis of which the purpose was to prove that by the dictatorship of the proletariat neither Marx nor Engels meant the abandonment of democratic ideals nor the use of terrorism upon the scale the Russians were willing to attempt. The latter, and especially Lenin and Trotsky, had little difficulty in disposing of Kautsky's argument. No one can read the discussions by Marx and Engels of the period of transition without seeing that though they had no prevision, and could have had no prevision, either of the scale of the struggle, or the instruments it would demand, what they had in mind was a methodology such as the Russians adopted. In any case, the Russian technique has become the classical formula of communism; and debate upon the meaning of Marx's terminology has today little more than an historical interest."

The same conclusion will probably apply to another question—and perhaps more important one—of Marxian interpretation,—i. e., that according to Marx socialism was purely the child of capitalist society and its class antagonisms, and that Russia, far from illustrating the highest development of capitalism, was at the time of the Revolution in a very early stage of this development. From this viewpoint a communist revolution was not to be looked for in Russia. Here, indeed (and in general in their policy in backward countries), the Bolshevists seem to be anything but Marxian, in a strict sense. They reply, of course, by saying that it is all part of the world revolution against world capitalism, and it is necessary to seize power wherever the opportunity presents itself.

Aside from such questions of strict interpretation (question which are, after all, mainly academic), the Bolshevists may be said to be the real inheritors of the Marxian school of revolution, and Prof. Laski's presentation of Marxian thought is one of the keenest, most scholarly, and most readable that has ever been given. There is an excellent chapter on the materialist interpretation of history which is the fundamental basis of the Marxian doctrine, going on to Communist econnomics (in which the professor shows the remarkable vision with which Marx noted some of the most serious shortcomings of the capitalist order, and the mistakes into which he fell by adopting the theories of the classical economists with regard to value, etc.), continuing with an extraordinarily good study of the Communist theory of the state, then giving an equally fine study of the strategy of Communism.

In all of this the writer is careful and clear. Very definite and unmistakeable are his distinctions between critical analysis (or a worthy attempt at it) on the one hand, as found in the Marxian critique of history, of the state, of the present economic order, and pure speculation or prophecy on the other hand, as found in the presumptions as to just what sort of an order will follow the present one, or as to what sort of an order the Russian regime of today is leading to. He makes it clear, finally, that Communism (he introduces an excellent and sound comparison of the Third International with the Vatican) has made its way by its idealistic appeal, *i. e.*, its appeal to the sense of equality and justice, backed up by a quasi-scientific interpretation of economics and history.

"Communism has made its way by its idealism and not its realism, by its spiritual promise, not its materialistic prospect. It is a creed in which there is intellectual error, moral blindness, social perversity. Religions make their way despite these things. Mankind in history has been amazingly responsive to any creed which builds its temple upon spiritual heights. The answer to the new faith is not the persecution of those who worship in its sanctuary, but the proof that those who do not share its convictions can scan a horizon not less splendid in the prospect it envisions nor less compelling in the allegiance it invokes."

H. H.

The Story of a Grim Generation in American Politics

Boss Tweed—The Story of a Grim Generation; by Denis Tilden Lynch; New York; Boni and Liveright.

This book by all means should be kept out of the hands of the Chinese!

This statement is inspired by a perusal of the story of Boss Tweed, the political dictator of New York City and New York State politics who looted the state and city treasury of more than G.$30,000,000; the total peculations being reported in the neighborhood of G.$200,000,000.

But it's a fascinating story for all that, with lessons for those who believe in democracy whether in the West or the Orient. William March Tweed was the grandson of Scotch immigrants to the New World. The grandfather was a blacksmith. William March was apprenticed to a chairmaker, but he had a flair for politics and ultimately became the first boss of Tammany Hall. As Boss of Tammany Hall, Tweed ruled with an iron hand and formed the "Tweed Ring" through which he dictated to all and when he cracked the whip the political and financial leaders and even the preachers answered his beck and call. Even Henry Ward Beecher once sat on a public platform and testified to the good citizenship of Tweed.

But Tweed like all dictators finally fell and the cause of his fall came from a series of articles and editorials in the *New York Times* (prior to its present ownership). The Tweed administration in New York occupied the stirring period of American history of the Lincoln and Grant Administrations and hence contains much of the history of that period which does not appear in the text-books. For example one learns that New York never liked the Lincolns and sympathized with the South throughout the civil war; that Mrs. Lincoln was snubbed by New York society; that a Mrs. Belmont, social leader and wife of the American representative of the Rothchilds, wrote a note to the papers denying that she was present at a reception to Mrs. Abraham Lincoln. One also learns that there was so much corruption in American public life that somebody started a paper called the *Imperialist* which attempted to prove that democracy was a failure.

One also learns from this book something about the lives and methods of men like Jay Gould who looted the Erie Railway; James Fisk, Jr., and his mistress; Mrs. Victoria Claflin Woodhull, the first suffragist and some other things, and so on. It's a fascinating story of American political life, an excellent contribution to current American literature which is beginning to "look inward" and face the grim facts of the elements which contributed toward the now great and all-powerful American Republic. Furthermore one learns that all political corruption is not monopolized in the Chinese Republic.

Worm Cycle

BY MARTIN RUSSAK

(In the New Masses, N. Y.)

In China now the innocent worms
Are spinning the precious envelopes of silk
Which men will gather and bring to a city in Jersey,
And throwsters and winders, warpers and quillers and twisters
Will prepare them for me, those thin weak threads of price;
And I shall be plowing the warps with my sharpened shuttles,
And I shall be weaving the crepes and the splendid satins
Which men will preciously gather and sell to men
In China, Ireland, or Argentine.

From the Chinese Press

(Continued from page 181)

estimated at 40,000; anti-bandit drive also being organized in Anhwei province.

Monday, June 25—Marshal Feng Yu-hsiang, who is now at Weihuihsion, about 50 li northeast of Sinhsiang, has asked for ten days sick leave—Gen. Ma Fu-hsiang appointed pacification commissioner of Sinkiang (Chinese Turkestan) and reported he will unfurl Nationalist flag immediately upon arrival at his new pest—Gen. Bei Tsung-chi takes over garrison duties at Nanyuan and Tungchow—Chiang Kai-shek departing June 26 for Peking, traveling either by the Tientsin-Pukow and Lung-Hai railways or by boat to Hankow and then to Peking by the Peking-Hankow line—H. H. Kung, Minister of Commerce and Industry who is now in Peking will depart for Shansi, but will return to Peking to attend conference of Chiang Kai-shek, Feng Yu-hsiang, Yen Hsi-shan, Bei Tsung-chi and other leaders—*Kuo Min*, agency report from Peking states that in event Gen. Chang Hsueh-liang refuses to accept the jurisdiction of the Nationalist Government that the Nationalists will first drive all Fengtien troops outside the Great Wall and then will send four Nationalist armies directly on Mukden, thus carrying the war into Manchuria—Nationalists report resumption of traffic on all railways in North China with exception Tientsin-Pukow line which is blocked by Japanese at Tsinan—Thirty Nationalist commissioners arrive in Peking to take over various Government offices on behalf of Nanking—Civilian Committee representing Committee for Promotion of Native Industries and Chekiang Silk Weaving Guild ask Government to prohibit importation of foreign fabrics and decide upon a national costume for all Chinese—Shansi cavalry occupies Jehol—Gen. Shang Chen appointed to dispose of defeated Chihli-Shantung troops in Tientsin district, plan being to disband them and not incorporate them into any Nationalist army—Wang Hsiantsen, chief, secretary, reports organization of Mongolian and Tibetan Affairs Bureau in Nanking—Chen Kuo-liang arrives in Nanking to consult on matter of cooperation of Manila Chinese in development of aviation in China—Kuomintang Party Affairs Directors at Shanghai express opposition to Yen Hsi-shan's reported appointment of Cheng Chun-yen and Li Pao-chang (formerly commanders under Sun Chung-fang at Shanghai) to positions in the Shansi army, charging that these two northern militarists were responsible for wholesale executions of members of the Kuomintang—Moscow officially protests to Nationalists over raiding of Soviet Consulate at Tientsin—Reported that eight foreign consuls at Shanghai called on Dr. C. T. Wang, Nationalist Foreign Minister while he was in Shanghai—Chinese papers report further clashes between Japanese troops aud Chinese in Shantung; also there have been several clashes between Japanese troops and Fengtien soldiers in Manchuria—Japanese Consul-General Yada reported to have instructions to open negotiations with Nationalists on settlement of Tsinan incident—Serious unemployment at Tsinan due to Japanese occupation and closing down of factories and arsenals formerly maintained by Gen. Chang Chung-chang, former Tupan; said to be 100,000 people out of work.

Tuesday, June 26—Central Political Council at Nanking authorizes National Reconstruction Commission to plan erection of wireless stations over China—Nationalist Government Council appoints Peking Branch Political Council and Chihli Provincial Government Committee—*Kuo Wen* report states that Dr. C. T. Wang continue to hold the position of Director General of Lung-Hai Railway, but chief work of railway will be handled through Hsieh Tze-liang, asst. director—Chiang Kai-shek proposes formation of Commission to handle question of troop disbandmnent—C. T. Wang appointed member of National Political Council—Chiang Kai-shek prepares to proceed to Peking immediately; receives invitation from Li Tsung-jen head of Wu-Han Government to visit Hankow enroute and then both will go to Peking by the Peking-Hankow Railway; reported that Chang Ching-kiang and Wu Tze-hui will also go to Peking with Chiang, but that Tan Yen-kai will remain at Nanking—Political Committee in war zone announces abolition of all exorbitant taxes levied by Nerthern military factions—Wu Tze hui appointed chairman of the National Capital Reconstruction Committee and authorized to begin immediate plans for the construction of a modern capital—Result of conference between Pei Yun-ti, member of Mongolian and Tibetan affairs committee and representatives of ruling Mongolian princes, decided that pending approval of Cennral Government, that Inner Mongolian Government headquarters shall be in Dolonnor; that administration of Mongolia be under central government; that Mongolian princes have same priveleges as Chinese; that Princes shall organize Inner Mongolian government; that shall fly the Nationalist flag

New Books

of the Commercial Press Ltd.

A STUDY OF CHINESE ALCHEMY

By Dr. Obed S. Johnson . . . Price, $3.

An historical investigation concerning the origin and development of Chinese alchemy. After weighing all sources of information, the author concludes that there is an historical connection between the alchemy in China and that of Medieval Europe and he believes that the West derived its acquaintance with alchemy from China.

SOME PHASES OF POPULAR CONTROL OF EDUCATION IN THE UNITED STATES

By Dr. C. H. Li . . . . Price, $3.50

This is a thorough and painstaking study of the legal and administrative operations of the boards of education and school administrative officials in the different states of America. The work has been prepared under the guidance of professors of Columbia University. It should prove suggestive to Chinese educators in the reorganization of our provincial system.

The book has seven chapters, the first six of which present the facts of states school administration in America. The last chapter applies these facts to the needs of China, the author basing discussion on the educational system in Chihli Province, where he has served as inspector, professor, dean, and president.

Illustrated with many statistical tables, charts, diagrams, and map. Furnished with appendices containing two original proposals.

WESTERN POETRY: THE MIDDLE NINETEENTH CENTURY

Edited by Dr. A. E. Zucker . Price, $2

A sequel to "Western Poetry, the Romantic Movement," by the same author. It treats of twenty poets separately and chronologically by furnishing their biographical sketches and citing and explaining their representative poems.

The Commercial Press, Limited, Publishers

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and receive protection of Nationalist army when necessary—Mukden reports states Gen. Yang Yu-ting killed by Gen. Chang Hsueh-liang, because he opposed the Japanese and urged that Manchuria should join the Nationalists—C. T. Wang in Chinese newspaper interview stated expectation of early Nationalist recognition by the United States, with France probably second, and also stated that the United States would probably inaugurate treaty revision conference —Peking office of Post Office being removed to Nanking and Peking office abolished—Nanking appoints committee to consider extention of elementary education throughout country—Standing Committee of Central Executive Committee of Kuomintang proposed twelve topics for 5th Plenary Session on July 15—Report from Kaifeng states that rebel general Li Hy-chen at Chinyong, captured by Feng Yu-hsiang's subordinate Sun Lien-chun after heavy battle—Reported that several villages for poor families at Kaifeng have been completed—Nanking military council orders inspection of Chinese fortifications at Woosung, Kiangyin, Chinhai, Nanking and Chinkiang—Several thousand wounded Nationalist soldiers in hospitals at Nanking will be employed in new handicraft factories.

Carnegie Endowment Donates G. $20,000 to Pacific Institute

Announcement was made at the meeting of the trustees of the American Council of the Institute of Pacific Relations, held in New York on Saturday May 26 that the Carnegie Endowment for International Peace had voted the sum of $20,000 to be expended for the purposes of the Institute in furthering the work of international understanding in connection with the problems of the Pacific Ocean area. It was also recalled on this occasion that the Endowment had supported the Institute on the occasion of its meeting in Honolulu last summer, and members of the Trustees of the Institute gave it as their opinion that the present action is indicative of an increasing realization of the fact that the more urgent problems of peace and war are shifting to the region of the Pacific. The Institute of Pacific Relations reports a notable increase in the interest created in the United States by recent events in the Pacific.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price June 14th	Sale Price June 21th	Approx. Yield to Maturity % June 21th
Czecho Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	110	109	7.21
Republic Chile S.F. Loan	7	Nov. 1, 1942	102½	102½	6.73
Argentine Government.. Ext. S.F. Loan	6	May. 1, 1960	99½	100	6.00
Kingdom of Italy, Ext. S. F. Loan	7	Dec. 1, 1951	97⅜	99	7.09
Austrian S. F. G. Loan	7	June 1, 1943	103¾	104½	6.52
Japanese Govt. (£)	5	1907/1947	86	86	6.27
German Govt. S. F. Loan	7	Oct. 15, 1949	106	106½	6.44
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 1, 1950	99¼	99½	7.05
Saxon Public Works Inc. 1st Mtge. S. F. Loan	7	Feb. 1, 1945	101	100½	6.95
German G.E.C.S.F. Loan	7	Jan. 15, 1945	104	104¼	6.57
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	99½	99	6.58
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	100	100	6.50
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	101	101	6.38
Cuban Domin. Sugar Co. 1st Lien S. F. Loan	7½	Nov. 1, 1944	100¼	100½	7.45
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	100½	100	7.00
Pennsylvania Dixie Cement Corporation	7	Pfd. Stock	97	96	7.29
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	108	107	6.54
Willys Overland Co.	7	Pfd. Stock	101	101	6.93
The National City Bank of New York	20	Stock	890	900	2.22
Republic of Peru Ext. Secured S. F. Loan	7½	Sept. 1, 1956	105	105	7.09
Hershey Chocolate Corp.	$4	Pfd. Stock	—	76¾	75 5.33
Belgian National Railway Co. Participating Pfd. Stock (American Shares) Market to Yield					6.78
Republic of Costa Rica.	7½	Sept. 1, 1949		102	7.31
Vertientes Sugar	7	Dec. 1, 1942		100½	6.95
Republic of Chile	6%	Apr. 1, 1960		95	6.37

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, June 27, 1928

By Maitland, Fearon and Brand

Exchange:—A demand from both China and India during the week under review has resulted in a rise of 5/16d. in the London Price of Bar Silver, which is now quoted at 27 7/16d. for both spot and forward deliveries. The official T/T rate on London is to-day 2/8 1/4d., as against 2/8 a week ago.

The downward tendency of the market was arrested when it became known that the measure to stabilize the French franc would certainly be adopted by the French Government, but it is now believed that the silver required for the new coinage has already been arranged for, and that the withdrawal of paper notes and the issue of the new silver coins will be regulated upon a gradual scale. The local exchange market in regard to imports and exports still remains in a very dull state. The rates closed to-day with a steady tone prevailing, banks being sellers at 2/8 1/16d. for T/T on London, 66 1/8 on New York, and Yen 70 1/8.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver..... Tls.43,427,000 an increase of Tls. 42,000
Chinese and Mexican Dollars..... $ 77,460,000 a decrease of $ 480,000
Estimated value Tls. 99,198,000 as against Tls. 130 702,000 held at this time last year.

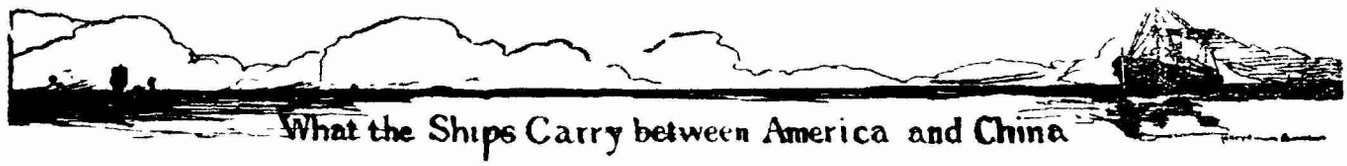
	Average rates for May	Thursday. June 21st	Friday June 22	Sat. June 23th	Monday June 25th	Tuesday June 26	Wed June 27
Bank's selling rates		*opening closing*		*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/8.284	2/8		2/8	2/8 1/4	2/8 1/4	2/8 1/4
D/Dfts ,,	—	2/8 1/16		2/8 1/16	2/8 5/16	2/8 5/16	2/8 5/16
4 m/s ,,	—	2/8 1/4		2/8 1/4	2/8 1/2	2/8 1/2	2/8 1/2
T/T India	179.279	178 1/2		178 3/4	180	180	180 1/2
T/T France	1,666,923	1655		1655	1670	1670	1670
T/T N. Y.	65.620	65 1/8		65 1/8	65 1/2	65 1/2	65 1/2
T/T Demand		65 1/4		65 3/8	65 5/8	65 5/8	65 5/8
T/T Hamburg		272 1/4		272 1/4	274 1/4	274 1/4	274 1/4
T/T H'kong	77.866	76 3/4		77	77	77	77
T/T Japan	71.288	71 7/8		71 3/4	71	70 7/8	70 3/4
T/T Batavia	162.529	161		161	162 1/2	162 1/2	162 1/2
T/T Straits	86.192	87		87	86 1/4	86 1/4	86 1/4
Bk's buying rates 4 m/s B/L. Cred. D/A	2/10.284	2/10		2/10	2/10 1/4	2/10 1/4	2/10 1/4
4 m/s ,, D/P	—	2/10 1/8		2/10 1/8	2/10 3/8	2/10 3/8	2/10 3/8
6 m/s ,, B/L Cred D/A	2/10.528	2/10 1/16		2/10 1/16	2/10 1/16	2/10 1/16	2/10 1/16
4 m/s B/F Cred D/A or D/P	1,737,500	1745		1745	1760	1760	1760
4 m/s N.Y.Lc.	68.966	68		68	68 1/2	68 1/2	68 1/2
4 m/s ,, Docs	—	68 1/2		68 1/2	69	69	69

BANK HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	June 21	June 22	June 23	June 25	June 26	June 27
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	27 1/4		27 1/8	27 3/8	27 3/8	27 7/16
**New York Price of Bar Silver per oz. (Pure)	G. $.59 1/2		G. $.59 3/4	G. $.59 7/8	G.$.60	G. $.60 1/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 347.70		Tls. 345.10	Tls. 343.90	Tls. 342.00	Tls. 343.70
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.90		110.90	110.90	110.90	110.90
Shanghai Mexican Dollars per $100.....	72.3375		72.2	72.25	72.2875	72.2375
Native Bank Rate of Interest (Call money).....	1 1/2%		2%	2%	3%	2%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

HOLIDAY

Bank of England rate of discount	4 1/2%	London Paris on	T/T 124.
Bank of France rate of discount	3 1/2%	New York on London	T/T 487 5/8
London open Market of Dis. 3 m/s	3 7/8%	Bombay on London	T/T 1/5 27/32
,, 4 ,,	3 7/8%	Hongkong on London	T/T 2/0 3/8
,, 6 ,,	3 7/8%	Kobe on London	T/T 1/10 13/16



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls.; June Customs Rate Tls. 1.35 equal Gold $1

EURYADES, May 19.
from U. S. of America.

Iron Pipe Fittings.....	Pls.	129
Iron Galvanized:		
Pipes	,,	192
Pipe Fittings.....	,,	157
Flour, Wheat	,,	11,031
Glucose	,,	78
Lead-foil and Tinfoil, Mixture	,,	1,123
Paper, Coated	,,	1,270
Tobacco, Leaf	,,	3,943
,, Stalk	,,	1,503
Oil, Burning	Galls.	1,920
,, Lubricating, Mineral	,,	20,018

CITY OF CARLISLE,
May 19.
From U. S. of America.

Embroidery, Cotton....	Pls.	15
Steel Wire Rods, Defective	,,	1,210
Steel, Galvanized: Wire Shorts	,,	494
Grease	,,	123
Leadfoil & Tinfoil, Mixture	,,	1,086
Paper, Unclassed	,,	26
Tobacco, Leaf.... ..	,,	5,110
Oil, Lubricating, Mineral	Galls.	13,539

YOKOHAMA MARU
May 19,
From U. S. of America.

Cotton, Raw Bls. 900	Pls.	3,276
Copper Ingots.....	,,	2,100
Tinned Plates, Plain...	,,	378

PRESIDENT LINCOLN,
May 19,
From U. S. of America.

Antifriction Metal	Pls.	8
Butter	,,	5
Canned Asparagus ..	,,	21
,, Fruits	,,	90
Cocoa	,,	3
Leather, Sole	,,	126
Malt	,,	150
Milk, Evaporated.....	,,	684
Newspapers, Old.....	,,	699
Oranges, Fresh.....	,,	877
Packing, India-rubber..	,,	4
Paper, Wrapping	,,	431
Prunes, Dried	,,	9
Raisins, Dried	,,	1,461
Seed, Bird	,,	21
Soda, Silicate of	,,	267
Starch, ...	,,	191
Sugar Cube	,,	5
Wax, Paraffin	,,	1,693
Lemons, Fresh	Pcs.	63,300
Motor-cars	,,	3
Motor-trucks	,,	5
Canned Olives	Doz.	60
,, Sardines	,,	3,400
,, Vegetables	,,	61
,, Goods, Unclassed	,,	514
Coffee Ground in Tins	,,	330
Fruits, Preserved, in Glass and Jars.....	,,	463
Shoes, Leather	Pairs	366
Oil, Solar	Galls.	15,581
Paint, Unclassed	,,	16
Varnish	,,	216
Infants' Food....Hk. Tls.		4,662
Treasure:		
Gold Bars	,,	147,390
Silver Bars	,,	855,547

AMAGI MARU, May 21.
From U. S. of America.

Steel Wire Cloth	Pls.	13

CROSS KEYS, May 21.
from U. S. A.

Paper, Chipboard	Pls.	2,041
Gasolene, in Cases ..	Galls	14,510
Oil, Lubricating, Mineral	,,	94,171
,, Kerosene, in Cases	,,	261,500
,, ,, ,, Drums	,,	213,416
Turpentine, Mineral...	,,	12,896
Drums, Empty	Pcs.	4,001

PRESIDENT CLEVELAND,
May 22.
from U. S. A.

Artificial Silk and Cotton Fancies	Yds.	530
Iron Chains	Pls.	26
,, Castings, Rough	,,	42
Bones, Cow	,,	500
Flour, Wheat	,,	1,121
Hams and Bacon	,,	6
Ink, Printing	,,	272
Lead Bars	,,	3,360
Milk, Evaporated	,,	624
Bedsteads	Pcs.	548
Motor-cars	,,	30
Cigarettes	Mille	62,500
Machinery	Hk. Tls.	99,765

YAMASHIRO MARU,
May 24.
From U S. A.

Tinned Plates, Plain	Pls.	2,058

PRESIDENT GRANT,
May 25.
To U. S. A.

Silk, Raw, Steam Filature: White, Shanghai Bls. 110	Pls.	109.71
Yellow, other Ports 5	,,	4.87
Silk, Waste, Refuse: Shanghai....Bls. 13	Pls.	40.92
Other Ports..Bls. 8	,,	24.94
Silk Piece Goods.....	,,	7.19
Pongees, Shantung....	,,	4.62
Tea, Black:		
Other Kinds, Kiukiang	,,	101
Antimony, Oxide	,,	336
Antimony Regulus....	,,	336
Bristles, Assorted	,,	67
Brassware	,,	137
Egg Yolk, Dried.....	,,	588
Egg Albumen, Dried..	,,	51
Egg, Whole, Dried ..	,,	840
Books, Printed	,,	16
Feathers, Duck	,,	121
,, Goose	,,	62
Oil, Wood	,,	13,612
Wool, Sheep's	,,	804
Skins, Dog.....	Pcs.	3,292
,, Kid, ...	,,	17,950
,, Lamb, ...	,,	45,300
,, Leopard	,,	56
,, Mole	,,	2,800
,, Rabbit, ...	,,	139,700
,, Raccoon	,,	532
,, Weasel	,,	2,600
Kittysols	,,	1,300
Carpets and Rugs ..Hk. Tls.		18,721

Latest New York Stock Exchange Quotations

Swan, Culbertson & Co. Tel. 18891-18990 June 26

Market Closed Irregular Business Done (Shares) 1,000,000

STOCK	June 23 Price	June 25 Price
Allied Chemical & Dye (Common)	165½	167
Allis Chalmers	117½	116
American Can (Common)	81⅝	82½
American Locomotive	94½	95
American Radiator	132	134⅜
American Smelting	187½	187¾
American Telephone & Tel. (Common)	175	174½
American Tobacco "B"	156½	157¾
Armour & Co. "A"	18	17¼
Armour & Co. (Ill.) 7% Pfd.	87⅜	87¼
Anaconda Copper	63¼	64¼
Baltimore & Ohio	106¼	106¼
Bank of Montreal	338½	339
Bethlehem Steel (Common)	53⅜	53½
Bethlehem Steel, 7% Pfd.	118⅜	116⅞
Canadian Marconi	6⅛	6⅛
Canadian Pacific Railway	198	Mult.
Canada Dry Ginger Ale	76	78
Cerro de Pasco	69½	69
Chrysler	69½	69½
Consolidated Gas of New York	140⅝	141½
Coty Incorporated	170	None
Du Pout de Nemours E. I. (Common)	352	349
Eastman Kodak	170½	170⅞
Electric Investors	63	62⅝
Fox Film "A"	74½	74½
General Cigar	61¼	61¼
General Motors	172	171¾
Hudson Motor Car	79½	79⅞
Industrial Rayon	163⅜	161⅛
International Cement (Common)	64¾	64⅜
International Match, Pfd.	99⅛	99
International Nickel (Common)	90¼	90⅝
International Products Corp. (Common)	13⅛	12⅝
International Products Corp., Pfd.	75½	77
International Telephone & Teleg.	164	166
Kelvinator	14	13¾
Liggett & Myers, Class "B"	83	84
Loews Inc.	51½	51⅛ Ex. S. D.
Lorillard Company (Common)	26⅝	26½
Mack Trucks (Common)	91	89
Madison Square Garden	29¼	28⅜
New York Air Brake Co.	41½	None
New York Central (Common)	170	170¼
North German Lloyd 6's 1947	93	92½
Pacific Gas & Electric Co.	46⅛	46
Packard Motor Car Co. (Common)	72¾	72⅜
Pennsylvania Railroad	63⅞	63½
Radio Corporation	170¼	170½
Remington Rand (Common)	28¼	28¼
Reynolds Tobacco, "B"	130⅛	130¾
Sears, Roebuck & Co.	101⅜	106¾
Standard Gas & Electric (Common)	64⅛	64
Standard Oil of California	56	56
Standard Oil of Indiana	73⅛	73⅛
Standard Oil of New Jersey	42¾	43
Standard Oil of New York	33¾	34⅛
Texas Corporation (Common)	58	58½
Texas Gulf Sulphur	64⅛	63⅞
Timken Roller Bearing	116½	117
Union Carbide	141¾	141⅞
Union Pacific Railroad (Common)	190¼	190¼
United States Leather	62¾	62
United States Realty & Imp Co.	80¾	80¾
United States Rubber (Common)	32⅝	30⅛
United States Rubber, 8% Pfd.	62	58⅜
United States Steel	134¼	134⅛
Westinghouse Electric (Common)	91¼	91¾
Underwood Elliott	64⅝	133½
Wright Aeronautical	133⅞	64½

Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS	Local 1	Local 3	Fast R. * 5	3rd&4th Local 7	Exp. R. 9	3rd&4th 11	Local 13	Fast R. 15	Local 17	Local 19	Local 21	Conditional Local 23	Night Exp. R. S. 25
Shanghai N. d.	6.30		7.05	7.25	8.50	9.10	12.10	12.40	14.20	15.05	18.10	18.50	21.30
Nansiang „	7.04		7.34	7.59	—	9.47	12.43	13.08	14.59	15.45	18.42	19.20	22.06
Anting „	7.27		7.54	8.29	—	10.17	13.08	13.32	15.31	16.08	19.07		—
Kunshan „			8.23	8.59	10.01	10.59		14.07	16.08		19.44		—
Soochow „			9.16	10.05	10.53	12.12		14.59	17.14		20.40		0.15
Wusih „		6.35	10.18	11.15	11.52	13.39		15.52	18.28		21.39		1.25
Changchow „		7.55	11.21	12.23	12.50	14.54		16.55	19.32				2.35
Tanyang „		9.04	12.24		13.46	16.08		18.01					4.02
Chinkiang „		10.08	13.18		14.29	17.13		19.01					5.06
Nanking arr.		12.12	15.03		15.46	19.26		20.33					7.00

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS	Local 2	Local 4	Local 6	Local 8	Fast R. 10	Express R. (12)	Local 14	3rd&4th Local (16)	Conditional (Local)	3rd&4th 18	Fast R. 20	Local 22	Night Ext. R. S. (24)
Nanking dep.	..	..	..	..	7.05	9.10	..	..	..	9.25	12.30	16.35	21.30
Chinkiang „	..	..	..	..	8.52	10.52	..	..	..	11.48	14.36	18.54	0.02
Tanyang „	..	..	..	..	9.36	11.33	..	..	..	12.51	15.37	19.50	1.00
Changchow „	..	..	6.50	..	10.44	12.40	..	13.05	..	14.11	16.44	21.11	2.27
Wusih „	..	6.00	8.08	..	11.54	13.34	..	14.21	..	15.47	17.47	22.15	3.41
Soochow „	..	7.14	9.18	..	12.51	14.26	..	15.45	..	17.10	18.51	..	4.49
Kunshan „	..	8.25	10.57	.	13.35	15.05	..	17.10	..	18.23	19.42	..	..
Anting „	7.56	9.05	11.33	13.29	14.07	..	16.30	17.45	..	19.11	..	..	..
Nansiang „	8.21	9.49	12.03	13.50	14.27	..	16.54	18.09	19.30	19.46	20.31	..	6.32
Shanghai N.a.	8.45	10.16	12.36	14.15	14.56	16.05	17.23	18.42	19.57	20.20	20.55	..	7.00

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS		Express R (4)	2nd 3rd & 4th * (6)	Fast R * (8)	Local	Night Express Rs * (12)
Shanghai N.	d.	8.05	9.15	13.30	...	18.30
Jessfield	d.	8.21	9.32	13.46	...	18.46
Siccawei	d.	8.27	9.40	13.53	...	18.53
Lunghwa J.	d.	8.40	10.02	14.07	...	19.05
Shanghai S.	d.	8.15	9.30	13 40	•18.00	18.40
Lunghwa J.	a.	8.34	9.49	13.59	18.19	18.59
Sungkiang	d.	9.20	11.00	14.53	...	19.45
Kashai	d.	10.09	12.07	15.48	...	20.38
Kashing	d.	10.40	12.49	16.23	...	21.10
Yehzah	d.	11.14	13.40	17.03	...	21.44
Changan	d.	11.49	14.32	17.44	...	22.19
Hangchow	d.	12.45	16.00	18.55	...	23.15
Zahkou	a.	13.00	16.25	19.10	...	23.30

STATIONS		Local	Express R * (3)	2nd 3rd & 4th * (5)	Fast R * (9)	Night Express R (11)
Zahkou	d.	...	7.15	9.05	13.35	17.45
Hangchow	d.	...	7.40	9.40	14.00	18.10
Changan	d.	...	8.32	11.05	15.06	19.02
Yehzah	d.	...	9.03	12.03	15.43	19.33
Kashing	d.	...	9.44	12.57	16.32	20.15
Kashai	d.	...	10.08	13.35	16.59	20.41
Sungkiang	d.	...	11.01	14.48	17.58	21.36
Lunghwa J.	d.	8.41	11.41	15.53	18.47	22.16
Shanghai S.	a.	9,00	12.00	16.12	19.07	22.35
Lunghwa J.	d.	...	11.42	15.48	18.45	22.17
Siccawei	d.	...	11.49	15.57	18.54	22.24
Jessfield	d.	...	11.56	16.05	19.01	22.31
Shanghai N.	a.	...	12.10	16.20	19.15	22.45

Konzenchiao-Zahkou (Kiangshoo Branch Line) Zahkou-Konzenchiao

Konzenchiao	d.	6.55	9.30	11.45	13.50	17.30	21.50
Kenshangmun	d.	7.11	9.48	12.01	14.10	17.46	22.06
Hangchow	d.	7.38	10.00	12.12	14.23	18.03	22.18
Zahkou	a.	7.55	10.20	(a)	14.40	18.20	22.35

Zahkou	d.	8.15	10.35	...	15.10	18.35	22.55
Hangchow	d.	8.34	10.54	12.38	15.29	18.58	23.18
Kenshangmun	d.	8.46	11.06	12.51	15.46	19.11	23.31
Konzenchiao	a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
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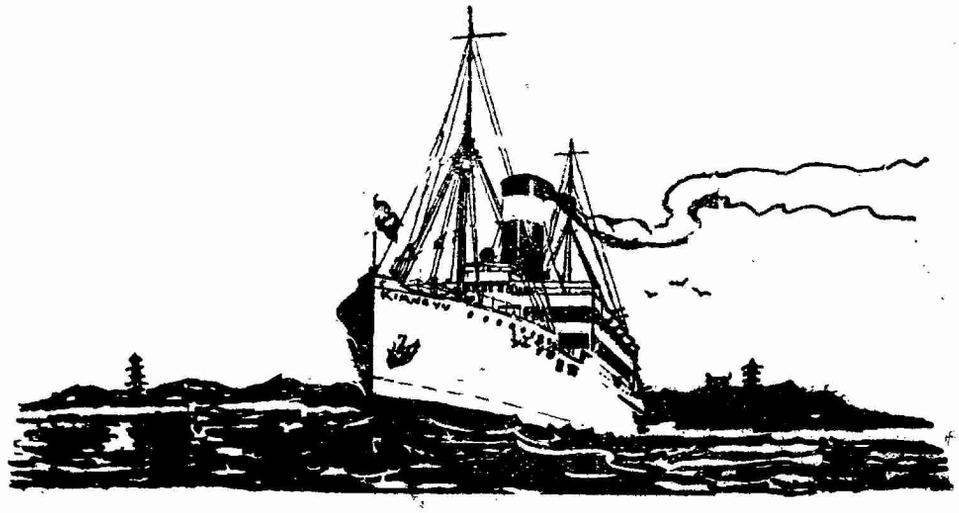

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„ Kiang-Tah
„ Luen-Yi

Shanghai-Dairen
S.S. Too-Nan

Shanghai-Wenchow
S.S. Ha-Ean
„ Kwang-Chi

Shanghai-Swatow
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